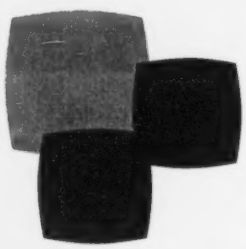
Industry Canada Industrie Canada

Industry Canada

Departmental Performance Report



For the period ending March 31, 2010

Minister of Industry

Canada

How to read this report

The 2009–10 Departmental Performance Report (DPR) presents the results of Industry Canada's program activities during the 2009–10 fiscal year, compared with the commitments stated in the Department's 2009–10 Report on Plans and Priorities (RPP). The report contains an introductory message from the Minister summarizing the Department's performance, followed by a message from the Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario) summarizing the performance of the Federal Economic Development Agency for Southern Ontario (FedDev Ontario). This DPR is composed of the following three sections, detailed below:

Section 1: Departmental Overview

- summary information on the Department, starting with Industry Canada's raison d'être, responsibilities and Program Activity Architecture
- performance summary information, including tables by strategic outcomes
- contribution of operational and management priorities to strategic outcomes
- information on Industry Canada's operating environment
- departmental expenditure profile, including the total financial and human resources managed by the Department
- a summary of Industry Canada items related to Canada's Economic Action Plan and of programs transferred to FedDev Ontario
- a list of voted and statutory items

Section 2: Analysis of Program Activities by Strategic Outcome

This section includes detailed analyses of Industry Canada's performance at the program activity level and by strategic outcome. Variance analysis is also provided at the program activity level between Planned and Actual financial resources and human resources, when there is a difference of 10% or more. For the 2009–10 fiscal year, Industry Canada has also included results achieved under Canada's Economic Action Plan (EAP). Sections specific to the EAP have been added under each program activity in which performance results were achieved in 2009–10. At the end of Section 2, the document reports on results achieved by FedDev Ontario. With its creation on August 13, 2009, FedDev Ontario became fully accountable for its decisions and financial delegated authorities, but until the end of the 2009–10 fiscal year, given that FedDev Ontario will continue to be included in Industry Canada appropriations and in Industry Canada Public Accounts and Financial Statements, Industry Canada will be obliged to perform an oversight role. In future parliamentary reports, FedDev Ontario will report on its results independently of Industry Canada.

The 2009–10 DPR is the first for Industry Canada to report on targets from the Department's approved Management, Resources and Results Structure at the program activity level. To assign performance status, we have used the following guide, in accordance with instructions from the Treasury Board of Canada Secretariat:

Exceeded: More than 100% of the expected level of performance was achieved.
Met all: 100% of the expected level of performance was achieved.
Mostly met: 80% to 99% of the expected level of performance was achieved.
Somewhat met: 60% to 79% of the expected level of performance was achieved.
Not met: Less than 60% of the expected level of performance was achieved.

Fiscal year 2009–10 will represent Industry Canada's baseline year for reporting on targets. Trend analyses continue to be provided, when possible and when historical data are available, to help readers establish year-over-year continuity and better understand how Industry Canada achieves its strategic outcomes and contributes to whole-of-government outcomes. Industry Canada documents data sources and reference material for performance information and results for future reference.

Section 3: Supplementary Information

This section includes information on the Department's financial highlights and provides links to the Department's financial statements and electronic resources for further information.

In our continuing effort to provide Canadians with online access to information and services, we are including web links to more information and highlights. These links are numbered and are presented as endnotes. We are committed to continuous improvement in our reporting. We welcome your comments on this report by email to info@ic.gc.ca, by fax to 613-957-6543 or by mail to:

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Minister's Message

Last year, Canada was the last country to fall into the global recession. Today, our economy is beginning to emerge in the strongest position of any advanced country in the world. Investment and key stimulus measures, part of year one of Canada's Economic Action Plan, provided continued results and helped set Canada apart from its G8 counterparts in terms of economic strength.

In 2009–10, the Department worked quickly with the Industry Portfolio to deliver timely and targeted stimulus initiatives. Composed of Industry Canada and 10 other agencies, Crown corporations and quasi-judicial bodies, the Portfolio helps the Department to build a more productive and competitive economy.

Even though Industry Canada focused largely on Economic Action Plan initiatives, the Department remained steadfast in its commitment to promote long-term economic growth through our three strategic outcomes:

- the Canadian marketplace is efficient and competitive;
- science and technology, and knowledge and innovation are effective drivers of a strong Canadian economy; and
- competitive businesses are drivers of sustainable wealth creation.

In addition to Industry Canada's work to foster a growing, competitive, knowledge-based economy, the Department took measured steps to overcome the economic crisis by:

- supporting innovation and scientific excellence by providing $2 billion over two years for the Knowledge Infrastructure Program to revitalize research infrastructure at post-secondary institutions;
- ensuring a viable and sustainable North American automotive industry by supporting the restructuring efforts of Chrysler Canada Inc. and General Motors of Canada Limited;
- strengthening communities by investing $225 million over three years to develop and implement a strategy to extend broadband Internet coverage to unserved and underserved areas, which includes the Broadband Canada: Connecting Rural Canadians initiative;
- helping consumers and businesses experiencing financial difficulty by introducing regulatory amendments to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*, which include provisions that make alternatives to bankruptcy more available to Canadians;
- enhancing economic development in southern Ontario by establishing the Federal Economic Development Agency for Southern Ontario, which provides funding to targeted sectors impacted by the economic downturn; and,
- supporting the next generation of small business leaders in Canada by investing $10 million in the Canadian Youth Business Foundation.

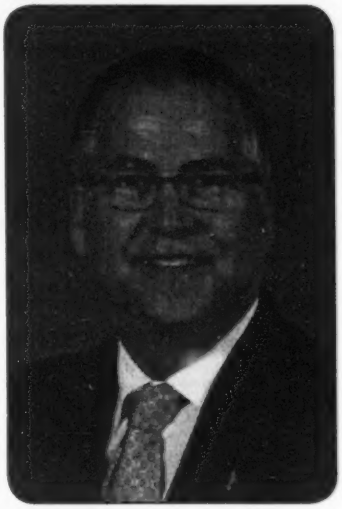
Moving forward, the Department will continue to ensure that the jobs and industries of the future are created right here in Canada. We will follow through on delivering existing stimulus plans and continue supporting government priorities. This means ensuring that we have the right conditions and regulatory frameworks in place to encourage investment in Canada, increasing support for research and development to improve Canada's long-term competitiveness and developing a digital economy.

I will work with my colleagues, the private sector and other governments to enhance Canada's productivity and create the foundation for strong, sustainable and balanced growth.

It is my pleasure to present this year's Departmental Performance Report for Industry Canada.

Tony Clement
Minister of Industry

Minister of State's Message



As Canada emerges from the global recession, the Government of Canada remains committed to supporting communities and helping them return to a cycle of prosperity and growth. The economic downturn hit Ontario's manufacturing sector particularly hard, forcing plant closures and widespread layoffs.

Through Canada's Economic Action Plan, our government provided more than $1 billion over five years for the creation of the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) to address the unique needs and priorities of workers, businesses and communities in southern Ontario.

With the launch of this Agency in August 2009, our initial priority was to invest immediately — through strategic partnerships and programs — to provide short-term stimulus to maintain and generate jobs throughout the region. Funding was committed to existing programs being delivered by the Business Development Bank of Canada, National Research Council Canada, the Ontario Chamber of Commerce, Canadian Manufacturers & Exporters and the Yves Landry Foundation. FedDev Ontario also provided a boost to communities and businesses across Southern Ontario through the Community Adjustment Fund, the Recreational Infrastructure Canada Program in Ontario and the Southern Ontario Development Program.

Over the past year, I participated in many consultations with key stakeholders, including provincial and municipal leaders, businesses, not-for-profit organizations, research and academic institutions. These consultations helped me to learn more about the challenges our region faces.

I am committed to working with our partners to create conditions under which ideas can be nurtured and realized, high-quality jobs created and economic growth achieved.

I am proud of our government's achievements to date in putting this region on the path to economic recovery. I am also confident that the new Federal Economic Development Agency for Southern Ontario will play a key role in ensuring a competitive and diversified Southern Ontario economy.

Gary Goodyear
Minister of State (Science and Technology)
(Federal Economic Development Agency for Southern Ontario)

Section 1: Departmental Overview

1.1 Raison d'être and Responsibilities

Mission

Industry Canada's mission[1] is to foster a growing, competitive, knowledge-based Canadian economy. The Department works with Canadians throughout the economy, and in all parts of the country, to improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build an efficient and competitive marketplace.

Mandate

Industry Canada's mandate[2] is to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

The many and varied activities Industry Canada carries out to deliver on its mandate are organized around three interdependent and mutually reinforcing strategic outcomes, each linked to a separate key strategy.

The Canadian Marketplace is Efficient and Competitive

Advancing the marketplace

Industry Canada fosters competitiveness by developing and administering economic framework policies that promote competition and innovation; support investment and entrepreneurial activity; and instill consumer, investor and business confidence.

Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Fostering the knowledge-based economy

Industry Canada invests in science and technology to generate knowledge and equip Canadians with the skills and training they need to compete in the global, knowledge-based economy. These investments help ensure that discoveries and breakthroughs happen here in Canada and that Canadians can realize their social and economic benefits.

Competitive Businesses are Drivers of Sustainable Wealth Creation

Supporting business

Industry Canada encourages business innovation and productivity because businesses are the organizations that generate jobs and wealth. Promoting economic development in communities encourages the development of skills, ideas and opportunities across the country.

Responsibilities

Industry Canada is the Government of Canada's centre of microeconomic policy expertise. The Department's founding legislation, the *Department of Industry Act*,[3] established the Department to foster a growing, competitive and knowledge-based Canadian economy.

Industry Canada is a department with many entities that have distinct mandates, with program activities that are widely diverse and highly dependent on partnerships. Industry Canada works on a broad range of matters related to industry and technology, trade and commerce, science, consumer affairs, corporations and corporate securities, competition and restraint of trade, weights and measures, bankruptcy and insolvency, patents and copyright, investment, small business and tourism.

1.2 Program Activity Architecture

This DPR reflects the Program Activity Architecture (PAA) in the 2009–10 RPP, which is aligned with Industry Canada's Management, Resources and Results Structure (MRRS) for 2009–10. The MRRS provides a standard basis for reporting to parliamentarians and Canadians on the alignment of resources, program activities and results.

Industry Canada's strategic outcomes are long-term and enduring benefits to the lives of Canadians that reflect our mandate and vision and are linked to Government of Canada priorities and intended results.

The Department's PAA is an inventory of all programs and activities undertaken. The PAA depicts them in a logical and hierarchical relationship to each other and to the strategic outcome to which they contribute. They also clearly link financial and non-financial resources.

Starting in the 2009–10 Estimates cycle, the resources for the Internal Services program activity are to be displayed separately and no longer allocated among the remaining program activities as in previous fiscal years. To increase comparability between fiscal years, 2008–09 Actuals have been realigned or remapped to apply this change to the 2009–10 reporting structure.

Given the significant changes to Industry Canada's PAA structure in 2009–10, as well as changes in the methodology used in assigning FTEs to specific program activities, there is a variance between Planned and Actual values for FTEs in certain program activities. Measures have been taken to ensure future FTE numbers are accounted for in a consistent manner.

Organizational Changes within Industry Canada

The Automotive Innovation Fund, Bombardier CSeries Program, Ontario Potable Water Program and Brantford Greenwich–Mohawk Remediation Project were created in 2009–10 at the program sub-activities level. These programs were not included in the 2009–10 PAA because they were added after the PAA review exercise.

The Automotive Innovative Fund and Bombardier CSeries Program were approved by the Treasury Board of Canada Secretariat (TBS) subsequent to the approval of the 2009–10 PAA. Both programs, along with their planned spending, are under Knowledge Advantage in Targeted Canadian Industries.

The funding for the Ontario Potable Water Program and the Brantford Greenwich–Mohawk Remediation Project was reprofiled under Community, Economic and Regional Development, increasing their funding threshold for 2009–10.

The Mackenzie Gas Project program activity, appearing in the 2009–10 PAA, was transferred from Industry Canada to Environment Canada on October 30, 2008, through an Order-in-Council (P.C. 2008–1730).

Budget 2009 — Canada's Economic Action Plan[4]

In Budget 2009, tabled in Parliament on January 27, 2009, the Government of Canada announced a set of initiatives aimed at providing a quick recovery from the economic downturn and improving access to financing, supporting small businesses, helping municipalities build stronger communities through investments in infrastructure, and providing short-term support for key industrial and commercial sectors.

Industry Canada also promoted economic recovery with initiatives aimed at specific economic sectors, such as science and innovation, tourism, supporting small businesses and community economic development, and encouraging the development of broadband infrastructure in previously underserved or unserved areas across Canada. Industry Canada's initiatives under the EAP include:

- Improving Canada's Competition and Investment Frameworks
- Knowledge Infrastructure Program

- Institute for Quantum Computing
- Canada Foundation for Innovation
- Modernizing Federal Laboratories
- Canada Small Business Financing Program
- Canada Business Network
- Canadian Youth Business Foundation
- Marquee Tourism Events Program
- Federal Tourism Strategy
- Targeted Assistance for the Automotive Sector
- Community Adjustment Fund in Northern Ontario
- Broadband Canada: Connecting Rural Canadians

Funding for these had not originally been planned. Throughout this report, the reader will notice large funding increases in financial tables' "Total Authorities"; these increases are usually due to the addition of EAP initiatives. Details of Industry Canada's EAP initiative accomplishments are provided in sections 2 and 3 of this document at the program activity level, when appropriate, and in the Online Supplementary Information Tables.

Machinery of Government Changes

In 2009–10 the following machinery of government changes affected Industry Canada:

The Federal Economic Development Agency for Southern Ontario (FedDev Ontario)[5]

FedDev Ontario was created in August 2009 as a result of the EAP. The following programs were subsequently transferred from Industry Canada to FedDev Ontario:

- Eastern Ontario Development Program
- Canada–Ontario Infrastructure Program
- Canada–Ontario Municipal Rural Infrastructure Fund
- Municipal Rural Infrastructure Top-Up Fund
- Brantford Greenwich–Mohawk Remediation Project
- Canada Strategic Infrastructure Fund
- Building Canada Fund
- Ontario Potable Water Program

The following programs were split between Industry Canada and FedDev Ontario as a result of the EAP. Industry Canada serves Northern Ontario, and FedDev Ontario serves Southern Ontario:

- Community Futures Program
- Economic Development Initiative — Official Language Minority Communities Development Program

In addition, FedDev Ontario administers the following programs that are part of Canada's EAP:

- Recreational Infrastructure Canada Program
- Southern Ontario Development Program (FedDev Ontario's core program)
- Community Adjustment Fund for Southern Ontario

This DPR will cover achievements for all EAP initiatives, including a section focusing specifically on FedDev Ontario. In future parliamentary reporting documents, FedDev Ontario will report on its achievements independently of Industry Canada.

Program Activity Architecture

This chart illustrates Industry Canada's complete framework of program activities and program sub-activities, which roll up and contribute to progress toward the Department's three strategic outcomes.

Industry Canada's 2009–10 Program Activity Architecture as displayed in the 2009–10 RPP.

Strategic Outcomes

The Canadian Marketplace is Efficient and Competitive	Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy	Competitive Businesses are Drivers of Sustainable Wealth Creation

Program Activities

Marketplace Frameworks and Regulations

Sub-Activities
- Measurement Canada
- Office of the Superintendent of Bankruptcy
- Corporations Canada
- Regulation of Small and Medium-Sized Businesses (including Paperwork Burden Reduction)
- Investment Review
- Canadian Intellectual Property Office

Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy

Sub-Activities
- Spectrum/Telecommunications Program (Operations and Engineering)
  Sub-Sub-Activities
  - International Telecommunication Union
  - Spectrum/Telecommunications Management and Regulations
  - Regional Operations — Spectrum
- Electronic Commerce

Consumer Affairs Program

Sub-Activities
- Consumer Information
- Consumer Policy

Competition Law Enforcement and Advocacy

Sub-Activities
- Competition Law Enforcement
- Advocacy in Favour of Market Forces

Canada's Research and Innovation Capacity

Sub-Activities
- Government Science and Technology Policy Agenda in Partnership with Key Stakeholders
- Science, Technology and Innovation Council Secretariat

Communications Research Centre Canada

Sub-Activities
- Information and Communications Technologies Regulations and Standards
- Information and Communications Technologies for Other Federal Departments
- Innovation and Technology Transfer

Knowledge Advantage in Targeted Canadian Industries

Sub-Activities
- Knowledge Advantage in Aerospace, Defence and Marine Industries
- Knowledge Advantage in Automotive and Transportation Industries
- Knowledge Advantage in Life Science Industries
- Knowledge Advantage in Resource Processing Industries
- Knowledge Advantage in Service and Consumer Products Industries

Industrial Technologies Office — Special Operating Agency

Sub-Activities
- Strategic Aerospace and Defence Initiative
- Program for Strategic Industrial Projects
- Technology Partnerships Canada — Research and Development Program

Entrepreneurial Economy

Sub-Activities
- Canada Small Business Financing Program
- Service to Business
- BizPaL
- Student Connections
- Small Business Growth and Prosperity
- Canadian Youth Business Foundation

Global Reach and Agility in Targeted Canadian Industries

Sub-Activities
- Global Reach and Agility in Aerospace, Defence and Marine Industries
- Structured Financing Facility — Shipbuilding and Industrial Marine Framework
- Global Reach and Agility in Automotive and Transportation Industries
- Global Reach and Agility in Life Science Industries
- Global Reach and Agility in Resource Processing Industries
- Global Reach and Agility in Service and Consumer Products Industries
- Canadian Apparel and Textile Industries Program
- Global Reach and Agility in Information and Communications Technologies Industries
- Industrial and Regional Benefits

Community, Economic and Regional Development

Sub-Activities
- Federal Economic Development Initiative for Northern Ontario (FedNor)
  Sub-Sub-Activities
  - Community Futures Program
  - Northern Ontario Development Program
  - Eastern Ontario Development Program
- Section 41 — *Official Languages Act*
- Canada–Ontario Municipal Rural Infrastructure Program
- Ontario Municipal Rural Infrastructure Top–Up Program
- Computers for Schools
- Community Access Program

Security and Prosperity Partnership of North America — Canadian Secretariat

Mackenzie Gas Project

Internal Services

Program Activity Architecture Crosswalk

This chart illustrates Industry Canada's complete framework of program activities and program sub-activities as displayed in the 2009–10 RPP, with the addition of temporary programs resulting from the EAP, which roll up and contribute to progress toward the Department's three strategic outcomes.

Strategic Outcomes

The Canadian Marketplace is Efficient and Competitive	Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy	Competitive Businesses are Drivers of Sustainable Wealth Creation

Program Activities

Marketplace Frameworks and Regulations

Sub-Activities
- Measurement Canada
- Office of the Superintendent of Bankruptcy
- Corporations Canada
- Regulation of Small and Medium-Sized Businesses (including Paperwork Burden Reduction)
- Investment Review
- Canadian Intellectual Property Office
- [2]Improving Canada's Competition and Investment Frameworks

Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy

Sub-Activities
- Spectrum/Telecommunications Program (Operations and Engineering)
  Sub-Sub-Activities
  - International Telecommunication Union
  - Spectrum/ Telecommunications Management and Regulations
  - Regional Operations — Spectrum
- Electronic Commerce

Consumer Affairs Program

Sub-Activities
- Consumer Information
- Consumer Policy

Competition Law Enforcement and Advocacy

Sub-Activities
- Competition Law Enforcement
- Advocacy in Favour of Market Forces

Canada's Research and Innovation Capacity

Sub-Activities
- Government Science and Technology Policy Agenda in Partnership with Key Stakeholders
- Science, Technology and Innovation Council Secretariat
- [1]Knowledge Infrastructure Program
- [1]Institute for Quantum Computing
- [3]Canada Foundation for Innovation

Communications Research Centre Canada

Sub-Activities
- Information and Communications Technologies Regulations and Standards
- Information and Communications Technologies for Other Federal Partners
- Innovation and Technology Transfer
- [1]Modernizing Federal Laboratories

Knowledge Advantage in Targeted Canadian Industries

Sub-Activities
- Knowledge Advantage in Aerospace, Defence and Marine Industries
- Knowledge Advantage in Automotive and Transportation Industries
- Knowledge Advantage in Life Science Industries
- Knowledge Advantage in Resource Processing Industries
- Knowledge Advantage in Service and Consumer Products Industries

Industrial Technologies Office — Special Operating Agency

Sub-Activities
- Strategic Aerospace and Defence Initiative
- Program for Strategic Industrial Projects
- Technology Partnerships Canada — Research and Development Program

Entrepreneurial Economy

Sub-Activities
- [4]Canada Small Business Financing Program
- [3]Service to Business (Canada Business Network)[8]
- BizPaL
- Student Connections
- Small Business Growth and Prosperity
- [3]Canadian Youth Business Foundation

Global Reach and Agility in Targeted Canadian Industries

Sub-Activities
- Global Reach and Agility in Aerospace, Defence and Marine Industries
- Structured Financing Facility — Shipbuilding and Industrial Marine Framework
- Global Reach and Agility in Automotive and Transportation Industries
- Global Reach and Agility in Life Science Industries
- Global Reach and Agility in Resource Processing Industries
- Global Reach and Agility in Service and Consumer Products Industries
- Canadian Apparel and Textile Industries Program
- Global Reach and Agility in Information and Communications Technologies Industries
- Industrial and Regional Benefits
- [1]Marquee Tourism Events Program
- [2]Federal Tourism Strategy
- [1a]Targeted Assistance for the Automotive Sector

Community, Economic and Regional Development

Sub-Activities
- Federal Economic Development Initiative for Northern Ontario (FedNor)
  Sub-Sub-Activities
  - [6]Community Futures Program
  - Northern Ontario Development Program
  - [3,5]Eastern Ontario Development Program
- Economic Development Initiative — Official Language Minority Communities Development Program
- Computers for Schools
- Community Access Program
- [1]Community Adjustment Fund in Northern Ontario
- [1]Broadband Canada: Connecting Rural Canadians
- [1,5]Federal Economic Development Agency for Southern Ontario
- [5]Canada–Ontario Infrastructure Program
- [5]Canada–Ontario Municipal Rural Infrastructure Fund
- [5]Municipal Rural Infrastructure Top-Up Fund
- [5]Building Canada Fund
- [5]Canada Strategic Infrastructure Fund
- [1,5]Recreational Infrastructure Canada Program
- [7]Southern Ontario Development Program
- [1,5]Community Adjustment Fund for Southern Ontario

Security and Prosperity Partnership of North America — Canadian Secretariat

Internal Services

[1] Designates new EAP items with new funding
[1a] Includes repayable loans as part of the EAP in addition to further support for the automotive industry restructuring
[2] Designates new EAP items without funding
[3] Designates EAP items that further funded existing Industry Canada work
[4] Designates EAP items without funding that affected existing Industry Canada program activities
[5] Designates programs that were delivered by Industry Canada at one point during 2009–10 but have since been transferred to FedDev Ontario. Performance results are found in the Industry Canada DPR.
[6] Designates programs that were split between Industry Canada and FedDev Ontario upon creation of FedDev Ontario
[7] Designates programs that were never part of Industry Canada but were created by FedDev Ontario
[8] The corresponding EAP title for this program is Canada Business Network.

1.3 Performance Summary

Industry Canada's Financial and Human Resources

These two tables present Industry Canada's financial and human resources for 2009–10.

2009–10 Financial Resources* ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
1,214.1	3,223.6*	2,567.6

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
5,273**	5,682	409***

* In 2009–10, the EAP generated increased funding for Industry Canada, including the creation of FedDev Ontario. FedDev Ontario's Total Authorities represent approximately $460.7 million of Industry Canada's Total Authorities and approximately $223 million of Industry Canada's Actual Spending. Starting in fiscal year 2010–11, FedDev Ontario will be reporting independently of Industry Canada. The slowdown in the economy resulted in some program delivery delays, for which funding will be carried forward to the next fiscal year.

** Starting in the 2009–10 estimates cycle, the resources for the Internal Services program activity are to be displayed separately and no longer allocated among the remaining program activities as in previous fiscal years.

*** Given the significant changes to Industry Canada's PAA structure in 2009–10, as well as changes in the methodology used in assigning FTEs to specific program activities, there is a variance between Planned and Actual values for FTEs in certain program activities. Measures have been taken to ensure future FTE numbers are accounted for in a consistent manner.

Performance Summary Tables by Strategic Outcome

Strategic Outcome 1: The Canadian Marketplace is Efficient and Competitive

Performance Indicators	Target and Performance Status	Results and Performance Summary	Trend
Barriers to competition (Organisation for Economic Co-operation and Development [OECD] assessment of accessibility to Canadian market)	Maintain or improve 6th-place ranking* **Status:** Mostly met	Based on 2008 measure of the OECD Product Market Regulation indicators (PMR), Canada is ranked 5th on the list of most inaccessible markets among OECD countries. In the 2003 PMR report, Canada ranked 11th.[6] The Barriers to Competition ranking is based on legal barriers, antitrust exemptions, barrier to entry in network sectors, and barrier to entry in services.	Declining (raw score in 1998: 1.85; in 2003: 2.00; and in 2008: 2.09. The decline is in 3 out of 4 areas of barriers to competition: legal barriers, barrier to entry in network sectors, and barrier to entry in services.)
Number of days taken to register a new company	3 days **Status:** Somewhat met	The process of registering a new company in Canada takes 5 days. The number of days taken increased from 3 (2004–08) to 5 (2009–10).[7]	Declining (due to change in procedures related to business registration)

Program Activity	2008–09 Actual Spending ($ millions)	2009–10 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes
Marketplace Frameworks and Regulations	32.1	46.9	46.9	209.2**	43.2	Economic Affairs: A Fair and Secure Marketplace[8]
Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy	86.6	82.8	87.2	115.4	110.4	
Consumer Affairs Program	5.3	4.5	4.5	5.2	5.1	
Competition Law Enforcement and Advocacy	45.3	42.6	42.6	49.6	47.7	
Total	**169.3**	**176.9**	**181.3**	**379.5**	**206.5**	

* For the indicator, a rank closer to 1st indicates higher barriers to competition. The shift from 11th rank in 2003 to 5th rank in 2008 indicates that Canada moved from having the 11th-highest barriers to competition among OECD countries to 5th-highest barriers to competition, resulting in a decline in performance.

** The Canadian Intellectual Property Office (CIPO) accounts for $152.4 million of this figure from accumulated surplus funding available from previous years. CIPO is an organization within Industry Canada that is funded entirely from the revenues it generates. Total Authorities in this table include the surplus that CIPO has accumulated since its creation in 1994 as well as deferred revenues. The intent is never to spend the surplus in a single year but to draw on it occasionally to fund capital investments or when expenses exceed revenues.

Strategic Outcome 2: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Innovation Index (measure of the adoption of new technology, and the interaction between the business and science sectors)	Maintain or improve 12th-place ranking **Status:** Met all	Canada has maintained its 12th-place ranking in innovation out of 133 countries.[9] The Innovation Index includes capacity for innovation; quality of scientific research institutions; company spending on R&D; university–industry collaboration in R&D; government procurement of advanced technology products; availability of scientists and engineers; and utility patents.	No change
International ranking of Canada in university–industry collaboration in R&D	Maintain 2nd-place ranking[10] **Status:** Mostly met	Canada ranks 3rd out of 10 comparator countries in university–industry collaboration in R&D.[11]	No change (Canada ranked 2nd from 2003 to 2006. Since 2007 Canada has ranked 3rd.)
Number of people working in R&D of total employment numbers*	8 per 1,000 **Status:** Exceeded	The latest results show that in 2005, Canada had 8.3 researchers per 1,000 of the population. This is up from 8.1/1,000 in 2004.*[12]	Improving

Program Activity	**2008–09 Actual Spending ($ millions)**	**2009–10 ($ millions)**				
		Main Estimates	**Planned Spending**	**Total Authorities**	**Actual Spending**	**Alignment to Government of Canada Outcomes**
Canada's Research and Innovation Capacity	116.3	264.3	264.3	1,272.4^	1,271.1	Economic Affairs: An Innovative and Knowledge-based Economy[13]
Communications Research Centre Canada	45.6	35.4	35.4	49.3	48.7	
Knowledge Advantage in Targeted Canadian Industries**	87.7	61.0	131.0	137.0^^	58.9	
Industrial Technologies Office — Special Operating Agency	289.8	221.4	221.4	346.3^^^	218.8	
Total	**539.4**	**582.2**	**652.1**	**1,805.0**	**1,597.6**	

* OECD defines researchers as FTEs engaged in R&D for 1 year, specifically, "professionals engaged in the conception and creation of knowledge, products, processes, methods, and systems as well as those who are directly involved in the management of projects. They include researchers working at both civil and military research in government, universities, research institutes, as well as in the business sector."

** The Automotive Innovation Fund has been moved into Knowledge Advantage in Targeted Canadian Industries under all fiscal years.

^ Total Authorities include the Knowledge Infrastructure Program, Institute for Quantum Computing and Ivey Centre for Health Innovation and Leadership, all announced under the EAP.

^^ Including $6.5 million carried forward from 2008–09 for the Bombardier CSeries Program and $22.5 million to be carried forward to the next fiscal year resulting from the economic downturn's effect on program delivery.

^^^ Including $60 million for Technology Partnerships Canada — Strategic Aerospace and Defence Initiative (TPC–SADI) to be carried forward and accessed in 2011–12, and access to repayable contributions of $130 million also in 2011–12.

Strategic Outcome 3: Competitive Businesses are Drivers of Sustainable Wealth Creation			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Percentage of gross domestic product (GDP) contributed by small and medium-sized businesses	Maintain or improve current percentage (26%) **Status:** Exceeded	Canadian small businesses accounted for 29% of GDP for 2008–09.*[14] This is up from 26% in 2007–08.[15] In Canada, 97.8% of all business establishments are small businesses.**[16]	Improving
Ratio of small and medium-sized businesses in rural vs. urban areas (defined by census subdivisions)	1:3 **Status:** Somewhat met	The ratio of rural to urban small and medium-sized enterprises (SMEs) in Canada is 1:5.6. Rural SMEs account for 15.2% of total SME business activity, compared with the 84.8% contribution by urban SMEs.[17]	Declining

Program Activity	2008–09 Actual Spending ($ millions)	2009–10 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes
Entrepreneurial Economy	123.2	95.7	95.7	146.8	140.9	Economic Affairs: A Fair and Secure Marketplace[18]
Global Reach and Agility in Targeted Canadian Industries	72.2	139.4	61.4	126.4	108.1	
Community, Economic and Regional Development***	159.5	110.6	138.5	585.4	335.7	
Security and Prosperity Partnership of North America — Canadian Secretariat	2.7	2.2	2.2	1.6	1.1	International Affairs: A Strong and Mutually Beneficial North American Partnership[19]
MacKenzie Gas Project	5.0	0.0	0.0	0.0	0.0	Economic Affairs: Strong Economic Growth
Total	**362.6**	**347.9**	**297.8**	**860.1**	**585.8**	

* The target, results and performance summary relate only to small businesses, those with fewer than 50 employees, as opposed to SMEs, those with fewer than 500 employees. BC Stats provides a breakdown of small business statistics for each province and Canada-wide statistics. The data shown here are the Canada-wide statistic.

** Canadian Federation of Independent Business identifies small businesses as those with fewer than 50 employees.

*** The Grant to the Corporation of the City of Brantford has been moved into Community, Economic and Regional Development under all fiscal years.

Program Activity(ies) Supporting All Strategic Outcomes						
Program Activity	**2008–09 Actual Spending ($ millions)**	**2009–10 ($ millions)**				
		Main Estimates	**Planned Spending**	**Total Authorities**	**Actual Spending**	**Alignment to Government of Canada Outcomes**
Internal Services	157.3	81.9	82.9	179.0*	177.8	Not applicable
Total	**157.3**	**81.9**	**82.9**	**179.0**	**177.8**	

* The variance is due to the Supplementary Estimates funding received throughout the year: $19.6 million was carried forward from 2008–09, and $53.7 million from non-TPC repayable contributions.

Contribution of Priorities to Strategic Outcomes

Operational Priorities

Operational Priority:	Type:	Strategic Outcome(s):
Ensure marketplace policies help promote competitive markets and instill consumer confidence	Previously committed to	The Canadian Marketplace is Efficient and Competitive

Status: Successfully met

- In an effort to modernize key marketplace framework policies, numerous regulatory amendments to the *Weights and Measures Regulations*[20] and the *Electricity and Gas Inspection Regulations*[21] were introduced. Proposed legislative amendments to these two acts were also introduced.
- Reforms intended to modernize the insolvency framework came into force on September 18, 2009.
- Industry Canada has also taken steps to improve the protection of cultural and intellectual property rights. The Enterprise Solutions Branch was established to consolidate information technology-related expertise with Enterprise Business Renewal efforts. Among other things, Enterprise Business Renewal will improve the quality and consistency of intellectual property rights.
- Canada's competition policies and foreign investment regime continued to be reviewed. Numerous advancements were made in combatting domestic cartels and illegal bid-rigging.
- The Competition Bureau received 206 merger filings. The Mergers Branch consistently met service standards in over 90% of cases.
- Industry Canada also completed a study on transborder data flows and a trilateral consultative process to advance work related to the implementation of the Statement on the Free Flow of Information and Trade in North America.

Operational Priority:	Type:	Strategic Outcome(s):
Foster business innovation	Previously committed to	Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Status: Successfully met

- Industry Canada continued to implement the government's science and technology (S&T) strategy, *Mobilizing Science and Technology to Canada's Advantage*.[22] The S&T Strategy was implemented across government through interdepartmental committees (consisting of 17 science-based departments and agencies, 8 research funding organizations and 5 other central departments and agencies), and progress to date is reported in the *2009 Progress Report on Mobilizing Science and Technology to Canada's Advantage*.[23]
- Industry Canada worked to create an investment climate that encourages the private sector to compete against the world on the basis of its innovative products, services and technologies. Industry Canada worked with the private sector to develop six technology roadmaps (TRMs) in 2009–10 and has worked closely with industry stakeholders (i.e., renewable and alternative energy stakeholders) to explore domestic and international partnerships for business development.

Operational Priority:	Type:	Strategic Outcome(s):
Invest in S&T to enhance the generation and commercialization of knowledge	Previously committed to	Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Status: Successfully met

- To foster innovation and to ensure that Canadians benefit from scientific discoveries, Industry Canada coordinated and advanced the S&T Strategy across government. As lead department on S&T, the Department worked with provincial and territorial governments, the academic community, and domestic and international stakeholders to advance the S&T agenda. The *2009 Progress Report on Mobilizing Science and Technology to Canada's Advantage* outlined key achievements to date, such as strengthening partnerships to advance the commercialization of technologies, products and services; increasing funding to granting councils and direct investments in research to promote Canada's Knowledge Advantage; and improving investments in people through expanded scholarships and the creation of a new research chairs program. While more work is required to fully achieve the commitments made in the Strategy, significant progress has been made and a strong foundation put in place to position Canada as a leader in science, technology and innovation.
- Industry Canada worked with the Department of Finance Canada and other partners to ensure that S&T and R&D in Canada benefited from the EAP. The result was $4.9 billion in S&T investments in year one of the EAP (Budget 2009) and another $1.4 billion in year two (Budget 2010). Among initiatives included in the EAP was the Knowledge Infrastructure Program[24] (KIP), announced as part of Budget 2009. Through KIP, $2 billion was allocated to over 500 projects at post-secondary institutions across Canada, creating thousands of jobs and helping build and maintain the advanced technological infrastructure needed to keep Canada's research and educational facilities at the forefront of scientific advancement.

Operational Priority: Foster internationally competitive businesses and industries	Type: Ongoing	Strategic Outcome(s): Competitive Businesses are Drivers of Sustainable Wealth Creation

Status: Mostly met

- To ensure that Canadian radiocommunications and telecommunications interests and requirements are reflected in international agreements and standards, Industry Canada commenced an initial round of negotiations of a Mutual Recognition Agreement (MRA) draft text with Mexico under the North American Free Trade Agreement (NAFTA), negotiated a binding MRA draft text with Israel, and negotiated new treaties with the United States to facilitate deployment of a new wireless system.
- To showcase Canada's capabilities internationally, Industry Canada organized sessions focused on matchmaking and increasing investment opportunities between venture capitalists and firms. The Department also participated actively in OECD committees (Steel, Biotechnology and Nanotechnology) and the North American Steel Trade Committee.
- Financial restructuring assistance was provided to both Chrysler and GM. Industry Canada provided analysis and support through the restructuring process as well as continued monitoring of the restructuring agreements.

Operational Priority: Promote entrepreneurship, community development and sustainable development	Type: Ongoing	Strategic Outcome(s): Competitive Businesses are Drivers of Sustainable Wealth Creation

Status: Successfully met

- To support Canadian communities and their capacity to respond to economic opportunities and challenges, funding was made available to a variety of regional and community businesses and partners to improve community capacity, access to capital and markets, innovation, and the development of human capital. FedNor implemented a stimulus action plan that responded to the increase in loan requests from businesses.
- To increase the availability of loans to new and small businesses, 80% to 85% of Canada Small Business Financing Program (CSBF) borrowers obtained some degree of incremental financial support. The Program's maximum eligible loan amount was raised from $250,000 to a maximum of $500,000, of which no more than $350,000 can be used for purchasing leasehold improvement or equipment.

Management Priorities

Management Priority: Corporate Performance Framework	Type: Previously committed to	Strategic Outcome(s): All strategic outcomes

Status: Ongoing

In 2009–10, Industry Canada continued its efforts to improve its PAA and Performance Measurement Framework for 2010–11 to reflect program changes and improve compliance with the guidelines produced by TBS. A number of sub-activities have been restructured for the 2010–11 PAA to improve the alignment of resources to results and to group programs with similar goals. Industry Canada's goal is to better identify and measure the objectives of each program and improve the alignment of resources to results in the years to come.

Management Priority: Integrated Risk Management	Type: Previously committed to	Strategic Outcome(s): All strategic outcomes

Status: Mostly met

The Department's Integrated Risk Management Framework was updated in 2009–10 to reflect the current governance and roles and responsibilities exercised by various committees and employees at all levels with respect to risk management. Risk management was further integrated into business planning and reporting processes through the 2010–11 Integrated Planning process, which identified key sector risks at the program activity level. Throughout 2009–10, mitigation plans were updated for the Department's Corporate Risk Profile and risk identification, mitigation and reporting processes were put in place for risks related to the implementation of Industry Canada's EAP initiatives. Work continues to integrate risk more fully into departmental business plans.

Management Priority: Human Resources Modernization Initiatives	Type: Previously committed to	Strategic Outcome(s): All strategic outcomes

Status: Successfully met

Developed and implemented the year one Action Plan of the three-year People Management Strategy for Renewal and Results (PMSRR). Significant progress was made in year one in all four priority areas.

- Leadership development: 50 executives participated in a new departmental executive learning initiative; the EX performance management regime was extended to senior excluded and unrepresented managers; and new tools and training were added for managers responsible for performance management.
- Human resources service excellence and performance improvement: New service standards were instituted for compensation; a new HR Express staffing model was introduced for low-complexity staffing; a PeopleSoft version 8.9 upgrade was installed to lay the foundation for common HR business processes; an HR Data Governance/Data Quality Program was launched; an HR community orientation to departmental business was initiated; and collective inventories were established for the AS-01 and AS-02 levels.
- Employee engagement and renewal: Industry Canada's careers website and the Employee Ambassador Program were improved, and Industry Canada successfully became one of the Top 100 Employers (Top 25 in the National Capital Region). Recruitment activities included the hiring of 190 post-secondary recruits, university career fairs, the Campus Speaker series, a database of bridgeable students and an increased focus on student programs. Employee development and retention was supported by orientation sessions, stay questionnaires for new recruits, five new development programs, enhanced mentoring and a new corporate memory transfer initiative (iknow).
- Integrity and accountability: The departmental planning cycle, processes and tools were overhauled and realigned to integrate all levels and key corporate functions (HR, IT, IM, etc.); the 2008 Public Service Employee Survey was analyzed to inform HR planning and people management priorities; plans at the departmental and sector levels were integrated to align with PMSRR and business objectives; and the progress of HR activities was measured against identified HR priorities of the PMSRR.

Management Priority: Information Management	Type: New	Strategic Outcome(s): All strategic outcomes

Status: Successfully met

- On December 7, 2009, the ADM-level Information Technology Strategic Management Committee approved the new Information Management Governance and Accountability Framework. The Framework raises the profile of Information Management (IM) in the Department and provides the Information Management Branch with the necessary authority to direct IM implementation. The Framework also establishes the necessary levels of governance to support the delivery of major IM initiatives, such as the enterprise business-based classification structure.
- In 2009–10, the Department undertook a number of initiatives to address the lack of IM capacity within the branches and sectors. Two key activities included the establishment of a generic Information Administrator (IA) work description to support sector IM roles and responsibilities and the establishment of a coordinator's network to support the implementation of the business-based classification structure. The work description has been classified and will be available shortly for use by business units. The role of the IA is to provide advice, guidance, awareness presentations and training on information management to managers and employees within a business unit and to serve as the main point of contact on IM operational issues with departmental IM functional authorities.

Management Priority: Real Property Management	Type: New	Strategic Outcome(s): All strategic outcomes

Status: Successfully met

- The Real Property Management Team at Communications Research Centre Canada (CRC) has improved its recapitalization reporting and planning activities. The planning cycle now begins earlier, and partial funding has been allocated to recapitalization, which allowed the CRC to apply best practice principles in line with the new Treasury Board policy instruments. The existing 30-year plans for each building were also integrated with the new system and supported with data from formal building condition reports. The Cost Recovery Framework document was also updated to reflect the new framework document.
- The Department has improved its planning process to be in line with the new Treasury Board Policy on Real Property, including an assessment of the Department's real property management capacity according to the Project Management Capacity Assessment Criteria. Performance measures have also been defined and address both financial and operational targets. The targets assist in defining whether the real property is managed in a sustainable and financially responsible manner. The measures used are being incorporated into CRC financial planning processes and reporting mechanisms. Summary data will be stored in corporate databases and used to support planning decisions. Further refinement of both performance measures and information collection will continue to evolve to ensure a robust performance management framework supports assets management and investment decisions.

1.4 Operating Environment and Risk Analysis

In the 2009–10 RPP, Integrated Risk Management was identified as a management priority. During fiscal year 2009–10, Industry Canada continued to further integrate risk management into departmental planning and reporting through its integrated business planning processes. As part of this process, the Department conducted environmental scans to identify potential key risks and challenges. Industry Canada also maintained a robust set of risk management tools and frameworks, such as the Industry Canada Integrated Risk Management Framework, which was recently updated to conform to new Treasury Board guidelines.

An important element of the Department's Integrated Risk Management Framework is the Corporate Risk Profile (CRP). The 2008–09 CRP identified several key corporate risks, including people — recruitment, development and retention; grants and contributions programs; performance measurement, monitoring and reporting; IM; and the Real Property Management Framework. In 2009–10, action plans were updated to effectively mitigate the corporate risks and ensure there was appropriate focus to address these management and program challenges. In particular, the Department implemented a new PMSRR and approved an IM Governance and Accountability Framework. Throughout the year, the action plans for all the corporate risks were monitored, reported on, and updated on a regular basis. In terms of risk management, a key lesson learned by Industry Canada is the need to identify more program-based corporate risks. The process and approach for the development of the Department's 2010–11 CRP was adjusted to bring a greater focus on program-based risks and a fuller identification and rating of the corporate risks.

Canada's Economic Action Plan

Industry Canada took a proactive approach to identifying and managing the risks associated with the EAP, a government-wide and departmental priority. The nature of the EAP initiatives — high-profile programs with large expenditures in tight time frames — increased the potential impact of the risks on program delivery. To address these risks, Industry Canada established and implemented effective stewardship measures such as robust management and financial control frameworks; the ongoing monitoring, review and oversight of initiatives through established and ad hoc governance bodies; the adoption of a comprehensive approach to securing program authorities and funding; and third-party due diligence reviews. The stewardship measures also incorporated additional integrated risk management processes. EAP risks have been, and continue to be, monitored on an ongoing basis. Mitigation plans were developed and regular status reports were made to senior management and the Departmental Audit Committee.

Science and Technology

Canada's record in business expenditure on R&D in Business Enterprise Research and Development (BERD) and in commercializing university research is lower than the global average. The Council of Canadian Academies' June 2009 report entitled *Innovation and Business Strategy: Why Canada Falls Short*,[25] concluded that Canada's weak productivity performance relative to other countries over the past two decades is likely rooted in weak business innovation, of which BERD intensity is the most often-used indicator.

A strong government S&T policy agenda is essential to help bridge this productivity gap, advance leading-edge R&D, and provide value-added knowledge and expertise to enhance conditions for commercialization and innovation in Canadian industry. The Department has committed to work with the private sector, industry associations, academia and all levels of government to foster an environment that is conducive to innovation and that promotes scientific excellence and industrial competitiveness.

To ensure that federal funding is yielding maximum benefits for Canadians, a comprehensive review of federal support for R&D was announced in Budget 2010. The review will be conducted in close consultation with business leaders from all sectors and our provincial partners, and the results will be used to strengthen federal S&T and innovation policies and programs.

Information and Communications Technology

Industry Canada, through the CRC, launched program reviews to periodically evaluate the relevance and excellence of its research programs. As a result of the CRC review, we have committed to completing one program review per year, starting with photonics. The review is made up of a panel of national and international industry experts in the Information and Communications Technology (ICT) sector. Results are expected in 2010–11.

Consumer Interests

There is a constant change in where Canadian consumers shop, what they buy and how they pay for it. This change arises from globalizing supply chains and the emergence of new technologies, new products and new marketing techniques, as well as from changes in overall economic performance. To ensure that policy-makers would continue to have access to high-quality, independent and timely research on consumer issues, Industry Canada's Office of Consumer Affairs completed a final evaluation of one of its most important policy tools, the Contributions Program for Non-profit Consumer and Voluntary Organizations. This program funds research by consumer and related organizations on public policy issues. The evaluation concluded that the Program supports the role of the federal government in the promotion of consumer interests by encouraging effective, evidence-based engagement by consumer organizations in the development of marketplace policies.

International Competitiveness

Industry Canada's strengths stem from its in-depth knowledge of Canadian industry and the specific issues that impact its ability to capitalize on international opportunities. The challenge for Industry Canada is to ensure that industry interests are represented in government policy and regulatory program decisions and to efficiently convey federal sectoral policy perspectives back to industry.

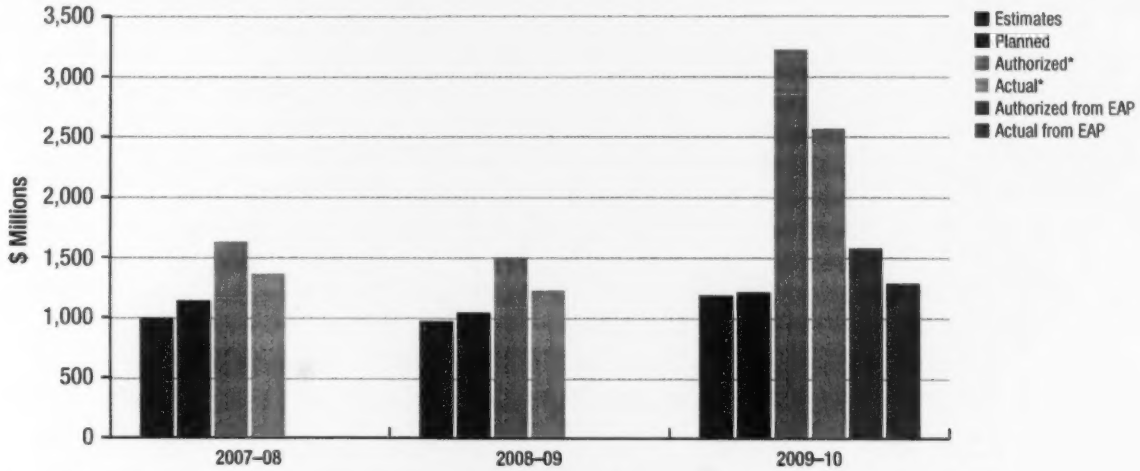
To mitigate operating risks, Industry Canada builds strategic partnerships with other government departments, other national governments, provincial and territorial governments, international organizations and industry stakeholders. The Department's extensive industry and government network and reputation as a respected leader and contributor to the development of policies, programs and information products increase the knowledge advantage of targeted Canadian industries.

In 2009–10, Canadian industries were affected by the global recession. The Department was responsible for monitoring and assisting companies in crisis, and led the analysis of the GM and Chrysler restructuring agreements during the automotive crisis.

1.5 Expenditure Profile

Industry Canada's total actual spending for 2009–10 was $2.56 billion, twice as much as 2008–09's actual spending of $1.23 billion. Industry Canada also increased its operating budget by 8.4% in 2009–10 to a total of $459.2 million from $423.5 million in 2008–09. These increases were provided to the Department so that it would have the capacity to deliver the EAP with appropriate governance and oversight.

Departmental Spending Trends



* Authorized and Actual Spending from the EAP area also included within Authorized and Actual Spending from Industry Canada for 2009–10.

Canada's Economic Action Plan

Industry Canada's role in the EAP has resulted in a dramatic temporary increase of $1.5 billion in the Department's planned spending for fiscal year 2009–10. A significant portion of those resources were used to support S&T, knowledge and innovation, which have provided short-term stimulus and will position the Canadian economy to excel in the future. This investment was channelled through initiatives such as KIP,[26] the Institute for Quantum Computing,[27] the Canada Foundation for Innovation,[28] and the modernization of the laboratory facilities at Industry Canada's CRC.[29]

The following table highlights EAP initiatives, including their planned and actual spending, for the full year 2009–10.^

	2009–10 Financial Resources ($ millions)	
EAP Initiatives	**Total Budget**	**Actual Spending**
Knowledge Infrastructure Program	999.5	991.0
Institute for Quantum Computing	16.5	16.5
Modernizing Federal Laboratories	3.1	2.8
Marquee Tourism Events Program	49.6	48.3
Community Adjustment Fund in Northern Ontario	16.2	11.2
Broadband Canada: Connecting Rural Canadians	84.3	3.6
Recreational Infrastructure Canada Program	97.3	30.2
Southern Ontario Development Program and Eastern Ontario Development Program	139.7	58.7
Canadian Youth Business Foundation	10.0	10.0
Canada Business Network	5.8	5.7
Community Adjustment Fund for Southern Ontario	156.3	110.4
Ivey Centre for Health Innovation and Leadership	1.0	0.5

^ In many instances, especially where construction is involved, delays were incurred and the Department was not able to disburse funds according to the Budget 2009 profile. Authorization has been received to bring forward the unspent funds to the 2010–11 fiscal year.

The following programs were EAP initiatives but did not require a formal spending authority:

- Canada Small Business Financing Program
- Federal Tourism Strategy
- Improving Canada's Competition and Investment Frameworks
- Targeted Assistance for the Automotive Sector

Voted and Statutory Items

This table illustrates the way in which Parliament approved Industry Canada's resources, the changes in resources derived from Supplementary Estimates and other authorities, and how funds were spent.

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2009–10 ($ millions)			
		Main Estimates	Planned Spending	Total Authorities^	Total Actuals
1	Operating Expenditures	320.1	323.8	497.3**	459.2
5	Capital Expenditures	9.4	12.5	24.3	19.1
10	Grants and Contributions	597.0	615.4	1,621.9**	1,165.9
(S)	Minister of Industry — Salary and Motor Car Allowance	0.1	0.1	0.1	0.1
(S)	Canadian Intellectual Property Office Revolving Fund	(1.2)	(1.2)	152.4	(1.3)*
(S)	Liabilities under the *Small Business Loans Act*[30]	1.7	1.7	0.2	0.2
(S)	Liabilities under the *Canada Small Business Financing Act*[31]	83.9	83.9	116.5	116.5
(S)	Knowledge Infrastructure Program	0.0	0.0	500.0**	500.0
(S)	Community Adjustment Fund	0.0	0.0	116.0**	116.0
(S)	Grant to CANARIE Inc. to operate and develop the next generation of Canada's Advanced Research Network (CAnet5)	29.0	29.0	28.0	28.0
(S)	Contributions to employee benefit plans	49.4	49.4	65.5	65.5
(S)	Spending of proceeds from the disposal of surplus Crown assets	0.0	0.0	0.4	0.1
(S)	Refunds of amounts credited to revenues in previous years	0.0	0.0	0.4	0.4
(S)	Grant to Genome Canada	88.8	88.8	82.9	82.9
(S)	Grant to Perimeter Institute for Theoretical Physics	10.0	10.0	15.0	15.0
Total Budgetary		**1,188.0**	**1,213.3**	**3,220.9**	**2,567.6**
L15	Payments pursuant to subsection 14(2) of the *Department of Industry Act*[32]	0.3	0.3	0.3	0.0
L20	Loans pursuant to paragraph 14(1)(a) of the *Department of Industry Act*	0.5	0.5	0.5	0.0
L97b	Advances to regional offices and employees posted abroad. Appropriation Act No. 1 1970. Limit $1.95 million (net)	0.0	0.0	2.0	0.0
Total Non-Budgetary		**0.8**	**0.8**	**2.8**	**0.0**
Total Department		**1,188.8**	**1,214.1**	**3,223.6**	**2,567.6**

^ This column includes funding received under the EAP as announced in the 2009 federal budget. These amounts had not been planned when the 2009–10 RPP was prepared.

* CIPO is an organization within Industry Canada that is funded entirely from the revenues it generates. Total Authorities in this table include the surplus that CIPO has accumulated since its creation in 1994 as well as deferred revenues. The intent is never to spend the surplus in a single year but to draw on it occasionally to fund capital investments when expenses exceed revenues.

** In addition to the Statutory Vote, the Knowledge Infrastructure Program also includes Authorities of $487.9 million under Vote 10 and $11.6 million under Vote 1. The Community Adjustment Fund also includes Authorities of $7 million under Vote 1.

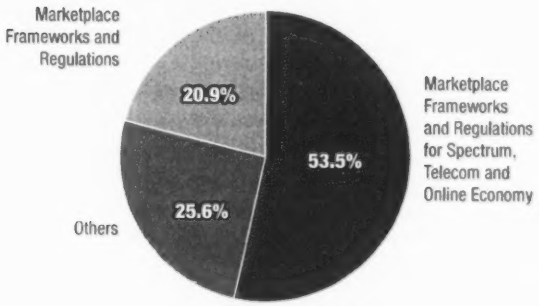
Section 2: Analysis of Program Activities by Strategic Outcome

2.1 Strategic Outcome: The Canadian Marketplace is Efficient and Competitive

Performance Indicators	Target and Performance Status	Results and Performance Summary	Trend
Barriers to competition (OECD assessment of accessibility to Canadian market)	Maintain or improve 6th-place ranking* **Status:** Mostly met	Based on the 2008 measure of the OECD PMR indicators, Canada is ranked 5th on the list of most inaccessible markets among OECD countries. In the 2003 PMR report, Canada ranked 11th.[33] The Barriers to Competition ranking is based on legal barriers, antitrust exemptions, barrier to entry in network sectors and barrier to entry in services.	Declining (raw score in 1998: 1.85; in 2003: 2.00; and in 2008: 2.09. The decline is in 3 out of 4 areas of Barriers to Competition: legal barriers, barrier to entry in network sectors and barrier to entry in services.)
Number of days taken to register a new company	3 days **Status:** Somewhat met	The process of registering a new company in Canada takes 5 days. The number of days taken increased from 3 (2004–08) to 5 (2009–10).[34]	Declining (due to change in procedures related to business registration)

* For the Indicator, a rank closer to first indicates higher barriers to competition. The shift from 11th rank in 2003 to 5th in 2008 indicates that Canada moved from having the 11th-highest barriers to competition among OECD countries to 5th-highest barriers, resulting in a decline in performance.

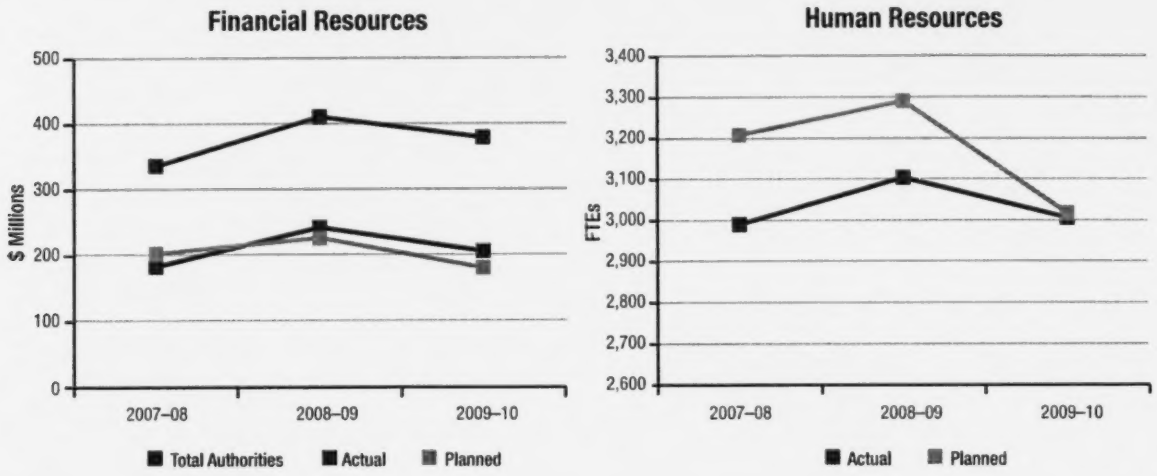
Figure 2.1: Distribution of spending by program activity in the area of The Canadian Marketplace is Efficient and Competitive



Canada's Economic Action Plan Highlight

As part of the EAP, two changes to existing acts were passed. Changes to the *Investment Canada Act* will encourage new foreign investment, increase transparency and predictability, and allow for national security reviews of foreign investments in Canada. Changes to the *Competition Act* will protect consumers and businesses from anti-competitive behaviour, improve Canada's business climate, and deter misleading advertising and mass-marketing fraud.

With the rapidly evolving global business environment, adjustments are needed to address the modernization of marketplace framework policies that are fundamental to the functioning of a market economy. In support of an efficient and competitive marketplace, Industry Canada fosters competitiveness by developing and administering economic framework policies that promote competition and innovation; support investment and entrepreneurial activity; and instill consumer, investor and business confidence.



Meeting our commitments:

In an effort to ensure the Canadian marketplace is efficient and competitive, Industry Canada developed a guide to help assess how consumers may be affected by proposed policies. This will provide another market assessment tool and will result in improved impact analysis statements. The Office of the Superintendent of Bankruptcy has refined its framework and initiated a review of its compliance framework to identify potential gaps and risks.

Benefits to Canadians:

- Introduced regulatory amendments to the *Bankruptcy and Insolvency Act*[35] and the *Companies' Creditors Arrangement Act*[36] following the passage of chapters 36 and 47 of the *Statutes of Canada*.
- Introduced CorpCan, a new online filing system for federal incorporations.
- Proposed amendments to the *Personal Information Protection and Electronic Documents Act* (PIPEDA),[37] both through the implementation of the Government Response and through the *Electronic Commerce Protection Act* (ECPA), will contribute to a reliable, sustainable and predictable online environment that responds to the privacy and security concerns of Canadians.
- Initiated consultations and discussions with industry and government chief information officers to ensure stable operation of the Internet in light of the expected exhaustion of the Internet Protocol Version 4 address space. The orderly evolution of the Internet to a new Internet Protocol Version 6, which will provide additional Internet addresses, is essential to support future ICT services in Canada and interconnections with major global trading partners.
- Undertook introductory work to assign radio spectrum to new uses and align them internationally to protect investments and encourage innovation. This will enable economies of scale and facilitate the compatible use and interoperability of global telecommunications.
- Developed a three-part information series on spam, spyware and phishing to help consumers protect themselves in the online marketplace.
- Targeted consumer and SME schemes involving Canadians. In December 2009, a record $15-million fine was imposed on a Toronto-based company for operating a business directory scam targeting Canadian and U.S. businesses.

Lessons Learned

The *May 2008 Report of the Auditor General of Canada* recommended that Industry Canada establish a formal system and practices to periodically review its spectrum and radio licence fees. In response, in 2009–10, Industry Canada began a review of specific licence fees as part of a 10-year review cycle of all fees. This will ensure that Spectrum Management approaches evolve with development in the industry.

Performance Analysis:

Industry Canada continued to build a Canadian marketplace that is efficient and competitive through the following program activities:

Marketplace Frameworks and Regulations

Expected Result: Marketplace fairness, integrity, efficiency and competitiveness are protected in the areas of insolvency, foreign investment, weights and measures, federal incorporation, and intellectual property			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Percentage of cases for which regulatory timelines and/or service standards are met	80% **Status:** Exceeded	86.8% This figure is represented as a percentage based on the following compliance rate: Measurement Canada: 80% Office of the Superintendent of Bankruptcy: 94% Corporations Canada: 94% Investment Review: 72% Canadian Intellectual Property Office (CIPO): 94%	New indicator

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
46.9	209.2*	43.2

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
1,791	1,911	120

* CIPO accounts for $152 million accumulated surplus from previous years and deferred revenues.

Meeting our commitments:

In keeping our commitments to protect the fairness, integrity, efficiency and competitiveness of the Canadian marketplace through regulation and promotion, Industry Canada progressed its work on the development of proposed amendments to the *Weights and Measures Act*[38] and the *Electricity and Gas Inspection Act*[39] and associated necessary changes to their regulations. Due to the legislative timetable, the bill to amend the acts was not tabled until April 15, 2010.

On September 18, 2009, sections 36 and 47 of the *Statutes of Canada* came into force. This reform is intended to modernize the insolvency framework to improve the treatment of workers in the event that an employer becomes bankrupt or insolvent, to return assets to productive use, and to promote restructuring instead of liquidation. This encompasses the *Bankruptcy and Insolvency (BIA) General Rules*, the *Companies' Creditors Arrangement Act* (CCAA) *Regulations*,[40] *Superintendent of Bankruptcy's Directives*, and *BIA Forms*.

In 2009–10, Corporations Canada launched a new online system[41] that improved the processing of amendments and allowed our clients to benefit from new "fast-fill" options and to attach and upload documents. Other new features include "Intermediary Keys," which offer intermediaries access to several benefits and special services — at no charge — and "Corporations Keys," an important new security feature that will affect the way in which all federally incorporated companies will fulfill their corporate legal responsibilities in the future.

To modernize the intellectual property (IP) regime, an Enterprise Solutions Branch was established to consolidate information technology-related expertise with Enterprise Business Renewal (EBR) efforts. An online fee payment form was also introduced to streamline the routing of paper requests and the processing of payments while increasing the security of financial information for clients. EBR will improve the quality and consistency of IP rights, and simplify operational and administrative processes, the Department's ability to keep up with application volumes, and the services that benefit staff and optimize client self-sufficiency.

Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy

Expected Result: Canada's radiocommunications and telecommunications infrastructure and the online economy are governed by a modern, efficient and effective policy and regulatory framework			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Percentage of policies, legislation and regulations developed, updated or reviewed and consultations conducted as identified in annual branch business plans/ strategic plans/ operational plans	80% of identified initiatives **Status:** Exceeded	92% Released *Canada Gazette* notice for Consultation on the Renewal of Cellular and Personal Communications Services (PCS) Spectrum Licences.[42] Released *Canada Gazette* notice for Consultation on Transition to Broadband Radio Service (BRS) in the Band 2500–2690 MHz.[43] Proposed ECPA introduced in the House of Commons on April 24, 2009. Consultations completed and proposed legislative amendments to the PIPEDA prepared.	Improving Target was met at 92% compared with last year's (which was at 90%).

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
87.2	115.4	110.4*

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
751	636	115**

* The variance for the planned and actual spending for this program activity is mainly due to $12.6 million that was coded to this program activity but should have been coded to Community, Economic and Regional Development.

** The variance in FTEs can be attributed to an internal reorganization.

Meeting our commitments:

Industry Canada has made significant progress in the area of radiocommunications and telecommunications infrastructure and the online economy. The Department has concluded two sealed-bid auction processes. The first process was conducted in May 2009 for spectrum to provide enhanced air-ground services, such as Internet onboard aircraft. Two spectrum licences were issued to a single licensee for $2.1 million. The second process took place in June 2009 for 10 spectrum licences in the 2.3 and 3.5 GHz bands. All 10 licences were issued to five licensees for a total of $124,000.

To help meet the growing demand for access to radiocommunications and telecommunications, the Department also played a vital role during the Vancouver 2010 Olympic and Paralympic Winter Games. Industry Canada fully met spectrum management commitments to the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC). Before the Games, Industry Canada authorized more than 2,800 frequencies. During the Games, Industry Canada investigated 155 cases of radio interference and unauthorized radio use and was able to resolve, well within service standards, any interference or unauthorized radio use that might have disrupted public safety, competitions and related events, such as the opening ceremonies and ongoing Games operations.

Industry Canada also focused on finalizing new Broadcast Procedures and Rules (BPR) on digital television (DTV). The Department released *Canada Gazette* BPR-10: Application Procedures and Rules for Digital Television (DTV) Undertakings[44] to allow the submission of DTV applications for the DTV transition and undertook extensive processing of U.S. DTV coordination requests to meet the U.S. digital TV transition deadline of June 12, 2009. The Department also processed Canadian DTV applications and other radio applications in a timely manner and provided engineering advice on policy, licensing and consumer issues.

In accordance with the OECD's Seoul Declaration for the Future of the Internet Economy, Industry Canada continued to strengthen the infrastructure and policy and regulatory environments required to support the digital economy through implementation of the Broadband Canada: Connecting Rural Canadians initiative, advancement of PIPEDA amendments, the proposed ECPA legislation and the development of a digital economy strategy.

The Department also delivered standards and technical regulations to enable the licensing of new cognitive radio in 3650–3700 MHz and developed a comprehensive market surveillance procedure in consultation with the manufacturers that was approved by the Department's senior management. An overview of the telecommunications equipment regulatory process was documented and posted publicly on the Industry Canada website.[45] Industry Canada also completed a study on transborder data flows and a trilateral consultative process in order to advance work related to the implementation of the Statement on the Free Flow of Information and Trade in North America.

Industry Canada also continued to be engaged in promoting Canada's interests through participation in the International Telecommunication Union (ITU).[46] The outcomes of the ITU World Radiocommunication Conference (WRC) 2007 and the ITU Plenipotentiary Conference 2006 have been tabled in Parliament and will be ratified in 2010–11. Industry Canada also participated in ITU-R Study Groups on mobile, fixed, space science, satellite and broadcasting matters to advance Canadian interests and to prepare for WRC 2012. The Department also advanced a results-based accountability framework within the ITU, in addition to linking the ITU strategic and financial plans to enhance the Union's transparency and accountability.

The 2009 *Final Evaluation of Industry Canada's Involvement in the International Telecommunication Union — Recommendations*[47] concluded that there is a continued need for Industry Canada's involvement in the ITU, that Industry Canada has been largely successful in achieving most of its intended outcomes in relation to its ITU activities, and that the Department's involvement in the ITU provides good value to Canada.

Consumer Affairs Program

Expected Result: Consumer interests are represented in the marketplace and in the development of government policies			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Number of new outreach initiatives to assist consumers in accessing information and tools that will help them make informed purchasing decisions	1 **Status:** Met all	An outreach campaign consisting of 9 articles on basic buying tips and elements to consider before and after a purchase is made was distributed electronically to over 4,200 news and web editors across Canada.	Declining In 2008–09, 3 separate outreach campaigns resulted in 25 articles being distributed through these channels.
Number of government policies and/or legislation developed, updated or reviewed by the Office of Consumer Affairs	2 **Status:** Exceeded	Facilitated 3 Order-in-Council processes to assist provinces (Alberta, British Columbia and Ontario) in adopting provincial payday lending regulations.	New indicator

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
4.5	5.2	5.1

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
23	23	0

Meeting our commitments:

In order to ensure that consumers' interests are taken into consideration when developing government policies and to maintain consumer confidence and trust in the marketplace, Industry Canada, through the Office of Consumer Affairs (OCA), completed a strategy and prepared an implementation plan to mitigate the challenges faced by the most vulnerable consumers. The strategy included potential initiatives designed to raise awareness of consumer vulnerability within the federal and provincial government regulatory community and within the standards community. The OCA, with the Department of Justice Canada and provincial governments, facilitated the Order-in-Council process to assist three provinces (Alberta, British Columbia and Ontario) in adopting provincial regulations that control the maximum cost of borrowing and create fair contract terms to protect consumers in the payday lending market. The Department has also contracted with the Canadian Standards Association to provide secretariat services for a committee that is developing an International Organization for Standardization standard on business-to-consumer electronic commerce transactions.

The OCA collaborated with the Consumer Measures Committee (CMC), made up of federal, provincial and territorial consumer protection authorities and others, to create new consumer information products. Based on usability results and strategic planning exercises, proposals for the redesign of consumerinformation.ca[48] and the *Complaint Courier*,[49] an online resource to help consumers complain effectively, were submitted to Industry Canada's Chief Information Office for consideration and options analysis, and the CMC website was redesigned to update its look and bring it into compliance with Common Look and Feel for the Internet 2.0 (CLF 2.0) guidelines. The implementation of these guidelines ensures the consistent and predictable presentation of government services and content to all Canadians. In addition, a series of articles on the transition to digital television broadcasting were distributed to community news editors in March 2009 for publication in April 2009.

Canada's Economic Action Plan:

Industry Canada provided consumer information on the Canadian Warranty Commitment Program,[50] a federal initiative designed to ensure that consumer warranties would be honoured on new vehicles purchased from General Motors of Canada and Chrysler Canada, in the event that either of these companies failed during their restructuring from April to September of 2009.

Competition Law Enforcement and Advocacy

Expected Result: Competitive markets and informed consumer choice			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Dollar savings to consumers from Bureau actions that stop anti-competitive activity	Increase over current dollar savings (estimated target at $330 million) **Status:** Mostly met	$281 million Estimated overcharges to consumers (or economic harm) for the duration of the infraction, prior to Bureau actions concluded in 2009–10. This is a conservative estimate based on similar methodologies used by antitrust agencies in other countries.	Improving In 2008–09, dollar savings to consumers were estimated at $254 million.
Percentage of economy subject to market forces	Increase or maintain current percentage (approximately 82% of GDP) **Status:** Met all	Approximately 82% of the Canadian GDP is subject to market forces. According to a study conducted by the Competition Bureau in 2005, the proportion of economic activity covered by the *Competition Act*[51] has increased by 10% since its enactment in 1986.	No change In 2008–09, approximately 82% of GDP was subject to market forces.

2009–10 Financial Resources ($ millions)		
Planned Spending	Total Authorities	Actual Spending
42.6	49.6	47.7*

2009–10 Human Resources (Full-time Equivalents)		
Planned	Actual	Difference
452	436	16

* Increase in spending is due to collective bargaining and centrally managed expenditures such as maternity leave and severance pay.

Meeting our commitments:

Industry Canada, through the Competition Bureau, committed to developing the most effective, transparent and efficient ways to implement the amendments[52] to the *Competition Act* (the "Act") in 2009–10. Changes to the conspiracy provision of the Act will allow the Bureau to enforce Canada's anti-cartel law more effectively against serious offenders: those who agree to fix prices, allocate markets or restrict output. The Competitor Collaboration guidelines[53] are intended to assist firms in assessing the likelihood that a competitor collaboration will raise concerns under the criminal or civil provisions of the Act and, if so, whether the Commissioner would commence an inquiry in respect of the collaboration.

Combatting international and domestic cartels remained an important enforcement priority for the Bureau in 2009–10. The Bureau is actively pursuing international cartels and engaged with its international counterparts on 19 files. In June 2009, the Bureau uncovered a conspiracy to fix the prices of air cargo[54] surcharges for shipments on certain routes from Canada. The Bureau estimates that the air carriers imposed approximately $31.5 million in air cargo surcharges during the period of the conspiracy. Over $14.6 million in fines were levied on international air carriers for their participation in this cartel. The Bureau continued to address domestic bid-rigging, securing two convictions for rigging bids for federal government information technology service contracts. The Bureau has also conducted 52 outreach presentations for approximately 1,772 people, aimed at deterring bid-rigging activity, particularly in the Canadian public sector.

In 2009–10, the Bureau targeted the increasing number of misleading and fraudulent performance claims affecting Canadians in the areas of health and the environment. It partnered with Health Canada in releasing a consumer warning[55] on unauthorized products to treat or prevent the H1N1 flu virus, including those with fraudulent claims, in November 2009. The Bureau registered nine consent agreements with the Competition Tribunal concerning Canadian hot tub retailers who were alleged to have made unsupported claims that their Dynasty Spas products were associated with the ENERGY STAR Program.[56] As a result of the Bureau's actions, the hot tub and spa retailers agreed to stop making the representations and to correct the misinformation in the marketplace.

The Bureau continued to review mergers and acquisitions and challenge the few that resulted in a substantial lessening or prevention of competition. In July 2009, the Bureau reached a consent agreement with Suncor Energy Inc. and Petro-Canada,[57] addressing the Bureau's concerns that the merger would substantially lessen competition, which could have led to increased gasoline prices. The merger review was one of the most complex undertaken by the Bureau and was completed in under four months. In 2009–10, the Bureau received 206 merger filings; the Mergers Branch has consistently met service standards in the vast majority of cases, continuing to meet our strong record of clearing over 90% of merger filings within the prescribed service standards of each complexity level.

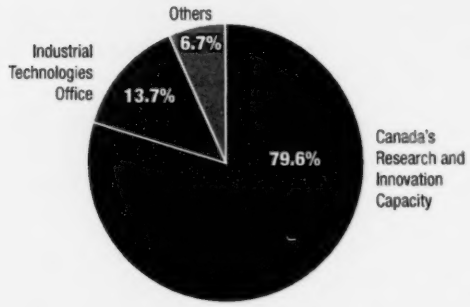
In February 2010, the Competition Bureau filed a challenge with the Competition Tribunal against the anti-competitive rules imposed by the Canadian Real Estate Association[58] that limit consumer choice and prevent innovation in the market for residential real estate services. The Bureau is challenging rules that require sellers who want to have their property listed on the Multiple Listing Service system to purchase, and pay for, services that they may not want. As part of the Bureau's continuing efforts to ensure transparency and predictability in its enforcement policies, the *Enforcement Guidelines on "Product of Canada" and "Made in Canada"* Claims[59] were published in December 2009 following public consultation in July 2009. As part of its commitment to developing the most effective and efficient ways to implement the amendments to the *Competition Act*, the Bureau held technical round tables to discuss the merger and competitor collaboration guidelines in advance of releasing its draft *Merger Review Process*[60] and the draft *Competitor Collaboration Guidelines*[61] for public comment. The Bureau also held general consultations and outreach to multiple constituencies to give businesses and consumers an opportunity to develop a better understanding of how the amendments to the Act will affect them. In September 2009, the Bureau published its finalized *Merger Review Process Guidelines*,[62] which provide detailed guidance on the Bureau's general approach to administering the new, two-stage merger review process.

2.2 Strategic Outcome: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Performance Indicators	Target and Performance Status	Results and Performance Summary	Trend
Innovation Index (measure of the adoption of new technology, and the interaction between the business and science sectors)	Maintain or improve 12th-place ranking **Status:** Met all	Canada has maintained its 12th-place ranking in innovation out of 133 countries.[63] The Innovation Index includes capacity for innovation; quality of scientific research institutions; company spending on R&D; university–industry collaboration in R&D; government procurement of advanced technology products; availability of scientists and engineers; and utility patents.	No change
International ranking of Canada in university–industry collaboration in R&D	Maintain 2nd-place ranking[64] **Status:** Mostly met	Canada ranks 3rd out of 10 comparator countries in university–industry collaboration in R&D.[65]	No change (Canada ranked 2nd from 2003 to 2006. Since 2007 Canada has ranked 3rd.)
Number of people working in R&D of total employment numbers	8 per 1,000 **Status:** Exceeded	The latest results show that in 2005, Canada had 8.3 researchers per 1,000 of the population. This is up from 8.1/1,000 in 2004.*[66]	Improving

* OECD defines researchers as FTEs engaged in R&D for one year, specifically, "professionals engaged in the conception and creation of knowledge, products, processes, methods, and systems as well as those who are directly involved in the management of projects. They include researchers working in both civil and military research in government, universities, research institutes, as well as in the business sector."

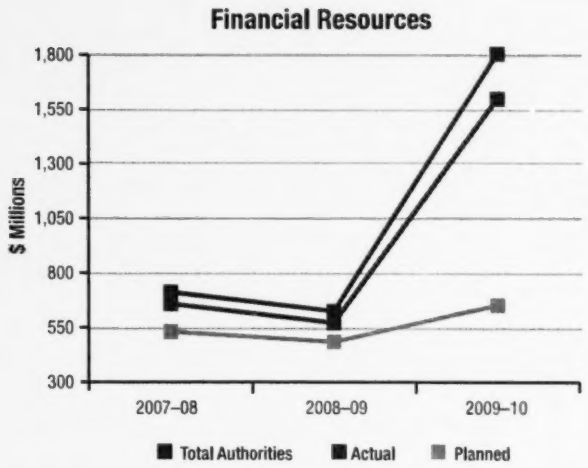
Figure 2.2 Distribution of spending by program activity in the area of Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

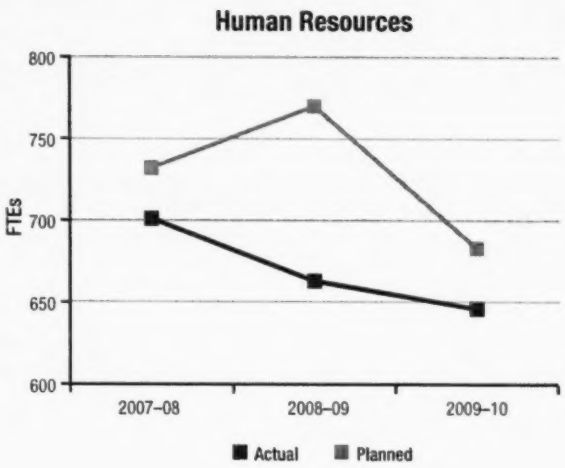


Science, technology and innovation policies and programs improve Canada's R&D capacity through the support and application of research and research infrastructure and the attraction, development and retention of highly qualified people. The Department invests in S&T to generate knowledge and ensure that Canadians are well equipped with the appropriate skill sets required to compete in the global, knowledge-based economy. These investments enable discoveries and breakthroughs to occur within Canada and allow Canadians to realize the social and economic benefits, higher standard of living and better quality of life that flow from them.

Canada's Economic Action Plan Highlight

The KIP was provided $2 billion over two years to support deferred maintenance, repair and expansion projects at post-secondary institutions across Canada, leveraging approximately $3 billion in provincial and institutional support. Over 200 institutions and over 500 projects are being supported through KIP. For example, a University of Windsor project will build upon the region's strengths in industrial engineering and manufacturing through the construction of a Centre for Engineering Innovation. The Centre will include classroom space and research laboratories to accommodate an additional 400 students annually, as well as an additional 25 faculty and staff. It will also house a dedicated industrial centre, equipped with offices and meeting rooms for industry, government organizations and other partners to facilitate collaborative work. The University's vision is to align education, research and the economy for commercialization of new knowledge and promote the business acumen of researchers and students in this building. The building is expected to be the largest Leadership in Energy and Environmental Design (LEED) Gold-certified building in the region.





Meeting our commitments:

In an effort to ensure that S&T, knowledge and innovation are effective drivers of a strong Canadian economy, Industry Canada supported the government's Northern Strategy[67] and Arctic agenda, led by Indian and Northern Affairs Canada.

Benefits to Canadians:

- Contributed to the strength of the ICT sector through forward-looking scientific advice. Canadian industries benefited from the research and technology transfer programs, making them more globally competitive.
- Supported other government departments, such as National Defence, the Canadian Space Agency and Public Safety Canada, by contributing technical advice for use in the development of information and communications infrastructure, systems and applications, allowing Canadians better access to timely health, cultural, educational, security and safety-related information.
- Positioned Canada as a leader in science, technology and innovation by enhancing the country's research and innovation capacity and by placing a strong emphasis on collaboration with other science-based departments and agencies, provinces and territories, academic institutions and related stakeholders.
- Helped create a supportive environment in which Canadian companies can develop advanced technology, products and processes through the Strategic Aerospace and Defence Initiative (SADI).[68] These efforts benefited companies conducting R&D, other companies through the A&D supply chain and the Canadian economy as a whole through technology transfer and innovation. SADI helped Canadian companies remain competitive in the global economy.

Lessons Learned

The recent global recession affected many Canadian aerospace and defence (A&D) companies, causing an increase in layoffs and reductions in production. Global economic recovery is underway, but the A&D industry remains fragile.

As the Industrial Technologies Office (ITO) strives to optimize its operational processes and management frameworks, the organization developed the following three new service standards:

Application Processing Time

- Complete the proposal review and provide the client with a contribution decision within 6 months of receiving the complete application.
- Applications requesting more than $10 million require approval by Treasury Board and/or Cabinet, and therefore require additional time.

Claims Processing Time

- Process the client's completed claim and release payment as per the contribution agreement in good standing within 45 calendar days.

Application Assistance Response Time

- Contact the potential client requesting assistance with an application within one business day through one of our toll-free numbers or our email address.

Performance analysis:

Industry Canada continued to ensure that S&T, knowledge and innovation are effective drivers of a strong Canadian economy through the following program activities:

Canada's Research and Innovation Capacity

Expected Result: Science, technology and innovation policy frameworks to enhance Canada's research and innovation capacity			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Number of ST&I outreach activities with other government departments, agencies and external stakeholders	20 **Status:** Exceeded	Industry Canada led or participated in 21 key outreach activities involving other science-based departments and agencies, provincial and territorial counterparts, and stakeholders at home and abroad to advance Canada's S&T agenda and provide the government with a strong foundation for policy development.	New indicator

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
264.3	1,272.4	1,271.1*

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
59	75	16**

* The variance in spending was due to additional funding provided for EAP initiatives (KIP, Institute for Quantum Computing and Canada Foundation for Innovation (CFI)).

** The variance in FTEs was due to an internal reorganization and additional responsibilities resulting from EAP initiatives.

Meeting our commitments:

To foster innovation and to ensure that Canadians benefit from scientific discoveries, Industry Canada coordinated and advanced the S&T Strategy, *Mobilizing Science and Technology to Canada's Advantage*,[69] across government. As lead department on S&T, Industry Canada worked with provincial and territorial governments, the academic community, and domestic and international stakeholders to advance the S&T agenda. The *Progress Report on Canada's Science and Technology (S&T) Strategy*[70] outlined key achievements to date on the commitments made in the Strategy, such as strengthening partnerships to advance the commercialization of technologies, products and services.

Industry Canada worked with the federal granting councils to enhance private sector engagement in their programs, such as the Industrial Research and Development Internships Program.[71] To attract and keep world-class researchers in Canada, the Canada Excellence Research Chairs Program[72] and the Vanier Canada Graduate Scholarships Program[73] were successfully introduced in 2009–10. Industry Canada also worked with the Department of Finance in 2009–10 to add $135 million in funding for the Technology Clusters Program,[74] which builds partnerships in targeted technologies, and $222 million for the TRIUMF[75] program that purses subatomic science.

The Department also shared and learned best practices for S&T policies through participation in multilateral forums, including the OECD and G8 Carnegie Group. The Department's work with Foreign Affairs and International Trade Canada benefited Canada's S&T agenda internationally. As part of the International S&T Partnership Program Steering Committee, the Department participated in discussions on S&T programs in other jurisdictions (including China, India, Brazil, Israel and the U.S. (California)). The Department also partnered with the TBS to respond to the *2009 Spring Report of the Auditor General of Canada*, Chapter 2, "Intellectual Property" before the Parliamentary Standing Committee on Public Accounts in November 2009. The report looked at how intellectual property is managed at National Research Council Canada and other science-based federal organizations, as well as the roles of Industry Canada and TBS in monitoring and evaluating intellectual property policies (e.g., intellectual property arising under Crown procurement contracts). As part of the action plan, Industry Canada will be undertaking an evaluation of the TBS policy on *Title to Intellectual Property Arising Under Crown Procurement Contracts*.

Industry Canada also manages funding agreements with a total of 17 independent research organizations, including a $5-million funding agreement with the Ivey Centre for Health Innovation and Leadership to help establish this new Centre. This initiative provides valuable support to research and development and infrastructure projects, which help Canada to attract and retain world-class researchers.

In addition, the Government of Canada's Science, Technology and Innovation Council (STIC),[76] which reports to the Minister of Industry, provided the government with policy advice on S&T and innovation issues and launched its inaugural state-of-the-nation report, which benchmarked Canada's S&T performance against international standards of excellence.

Canada's Economic Action Plan:

Canada's EAP provided $4.9 billion in S&T investments through Budget 2009 and another $1.4 billion through Budget 2010. Among initiatives included in the EAP were KIP ($2 billion over two years) and the CFI ($750 million). With regard to KIP, Industry Canada worked quickly and efficiently with provinces and territories and post-secondary institutions to assess KIP project proposals and secure the signing of contribution agreements. This resulted in full allocation of program funding to 536 projects by October 2009. In addition, a detailed Internet site[77] was set up to provide details on all KIP projects.

In 2009, Industry Canada put in place a funding agreement between the Government and the CFI on the $150 million in new funding (which resulted in an additional 28 project awards by CFI under its 2009 Leading Edge and New Initiatives Funds competition), and worked closely with the CFI in the development of priorities for the remaining $600 million announced in Budget 2009. In addition, Industry Canada put in place a funding agreement with the Institute for Quantum Computing that provides $50 million in federal funding to support the establishment of this new world-class research facility, including the construction of a new building with state-of-the-art equipment that will attract faculty and students to the field of quantum computing.

Communications Research Centre Canada

Expected Result: Industry Canada and other government organizations receive high-quality, research-based technical inputs to develop telecommunications policies, regulations and standards and support government operations			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Client satisfaction survey (on content, timeliness and usefulness) related to CRC technical inputs and advice used to develop telecommunications policies, regulations, programs and standards	80% or higher **Status:** Not applicable	No formal client satisfaction survey was undertaken during the year. The CRC provided over 40 contributions to Industry Canada and international standards organizations (such as the Institute of Electrical and Electronics Engineers and the ITU) in the form of technical briefs and work group participation.	Not applicable
Expected Result: Canadian companies use CRC-developed technologies to enhance their product lines			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Increase in total sales revenues every 5 years of Canadian communications companies with a link to CRC, compared to market averages	20% **Status:** Not applicable	A study of CRC's economic impact is undertaken every 5 years, with the next study due in 2010–11. The last study, by an external consultant (2005–06), pointed to $1.6 million in annual sales revenues from CRC spinoff companies, and cumulative industry sales of $520 million resulting from CRC IP licences.	Not applicable

2009–10 Financial Resources ($ millions)		
Planned Spending	Total Authorities	Actual Spending
35.4	49.3	48.7*

2009–10 Human Resources (Full-time Equivalents)		
Planned	Actual	Difference
398	383	15

* The variance between the planned and actual spending is mainly due to the Modernizing Federal Laboratories initiative (under EAP), the Vancouver 2010 Olympic and Paralympic Winter Games, and the G8 summit.

Meeting our commitments:

Industry Canada is committed to a competitive Canadian ICT sector. Through the CRC, the Department collaborated with the Canadian Radio-television and Telecommunications Commission (CRTC) to assess the overall broadband wireless coverage throughout Canada as part of the Broadband Canada: Connecting Rural Canadians program. The Department also provided scientific advice to the Natural Sciences and Engineering Research Council (NSERC) on the evaluation of numerous grants and programs, and hosted 19 graduate students and 49 undergraduate students from many Canadian universities to foster knowledge and technology exchange.

The CRC also provided assistance during the Vancouver 2010 Olympic and Paralympic Winter Games and provided a total of 9 spectrum monitoring (including 5 fixed, 3 mobile and 1 transportable) units to the Pacific region in support of the wireless monitoring and surveillance requirements. In addition, CRC staff was on standby 24/7 to provide immediate assistance.

Through the CRC, the Department provided ground segment technical expertise to the Canadian Space Agency (CSA) for the Ka-band Anik F2 satellite. In addition, on behalf of the CSA, the CRC managed a capacity credit of $50 million for the use of the Ka-band capacity by government and institutional users located in the northern regions of Canada for a 10-year period that began in 2005.

The CRC contributed, through studies and demonstrations, to many military programs, including the evaluation of wireless applications at various frequency bands and different operating environments (e.g., radio coverage analysis on small unmanned aerial vehicle flying at 300 meters in altitude).

Canada's Economic Action Plan:

Budget 2009 funding for Modernizing Federal Laboratories included the necessary maintenance, repair and upgrade of the CRC's Shirley's Bay government research campus, which hosts 6 different government laboratories and over 150 buildings. This investment will help protect the capital assets, as the investments made will reduce future repair costs and the risk of larger ad hoc repairs in response to failures. The investment reduces the possibilities of closures and equipment failures at the CRC labs and in turn increases the output of the R&D at the laboratories. It will also reduce the risk of a health and safety or environment incident, as well as the Industry Canada liability associated with such an event. All construction work scheduled for fiscal year 2009–10 was completed as planned.

Knowledge Advantage in Targeted Canadian Industries

Expected Result: Strong engagement, knowledge sharing and program delivery to enhance capacity for research and development (R&D), technology adaptation, commercialization, and innovation in targeted industries			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Percentage of completed initiatives* designed to increase knowledge and innovation in targeted Canadian industries, as a proportion of initiatives identified in the sector's business plan	80% **Status:** Exceeded	100% All initiatives designed to increase knowledge and innovation in targeted Canadian industries were completed as planned.	New indicator

* Initiatives include items such as joint policy initiatives, frameworks, strategies, consultations, trade shows, knowledge products, publications and websites.

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
131.0	137.0	58.9*

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
127	113	14

* The slowdown in the global economy limited the amount of funding that aerospace and automotive companies were able to spend on R&D. This reduced the expected number of applications for the two grants and contribution programs that fall under this program activity and caused project delays. For this reason, over $68 million in grants and contributions funding was reprofiled to future years.

Meeting our commitments:

Industry Canada participated in the development of six TRMs[78] to enhance the innovation capacity in targeted industries: Electric Vehicle, Wind Energy, Digital Media, Sustainable Housing, Aerospace Environmental, and Canadian Aerospace Protective Coatings, in 2009–10. An additional TRM, Textiles, was planned for 2009–10 but was completed ahead of schedule in late 2008–09. The Department also began work on the Soldier Systems TRM in collaboration with National Defence and Defence Research and Development Canada. This Roadmap is an innovative collaboration aimed at engaging industry, academia and other research organizations at the front end of Canada's soldier modernization efforts. Four technical workshops were held in the development stage of the Soldier Systems TRM in 2009–10, with over 850 participants (70% from industry) collaborating in the knowledge exchange. The development stage of the TRM is to be completed in 2010–11. To further ongoing collaboration and cooperation on the Soldier System TRM, the Innovation Collaboration and Exchange Environment (ICEE) Wiki[79] has been developed and implemented at Industry Canada.

Industry Canada has also played an active role in the Asia-Pacific Partnership on Clean Development and Climate (APP) on five task forces: Aluminum, Cement, Cleaner Fossil Energy, Renewable Energy and Distributed Generation, and Steel. The APP is an international forum, composed of seven countries, with the objective of reducing greenhouse gas emissions, either through new technology development or through technology transfer from developed to developing countries. Over the course of fiscal year 2009–10, 10 projects (6 for Renewable Energy, 3 for Cement and 1 for Aluminum) received financial support from the Government of Canada.

The Department also helped accelerate the commercialization of hydrogen and fuel cell technologies through domestic and international policy forums. On behalf of the Government of Canada, Industry Canada chaired two meetings of the International Partnership for the Hydrogen Economy, in Australia in May 2009 and in Washington in December 2009. This resulted in a communiqué approved by all member countries that recommends actions by the public and private sectors to further capitalize on the energy security and emissions-reductions benefits offered by the widespread adoption of hydrogen and fuel cell technologies.

In 2008 Industry Canada launched the Automotive Innovation Fund (AIF)[80] and the Bombardier CSeries Program[81] to support innovation in the automotive and aerospace industries. In 2009–10, a contribution agreement was signed for up to $54.8 million under the AIF to support the development and commercialization of a wide range of more durable, lighter and higher quality powertrain components and modules. In 2009, direct private sector employment for the Bombardier CSeries Program increased by 425 jobs, from 436 in December 2008 to 861 on December 31, 2009.

Industrial Technologies Office — Special Operating Agency

Expected Result: ITO will leverage leading-edge research and development in targeted Canadian industries			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Dollar of private sector investment leveraged per dollar of agency investment in ITO projects	$2.00 **Status:** Mostly met	100% ITO leveraged $1.95 during 2009–10.	Declining (from last year's result, which was $2.00)

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
221.4	346.3	218.8

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
99	75	24*

* The variance is due to a high staff turnover resulting from lower–than–expected project intake due to global economic pressures and the application of agency–wide program efficiencies.

Meeting our commitments:

To foster innovation in the A&D sector, the Industrial Technologies Office (ITO)[82] provided repayable contributions through SADI[83] to eight companies in the Canadian A&D industry for R&D of new products and/or services that are expected to enhance the industry's competitiveness in years to come. These companies are collaborating with a variety of universities and an extensive supply chain of SMEs across Canada.

As ITO strives to be a first-class organization recognized for excellence in program delivery and the administration of publicly funded investments, the organization embarked on a transformation: an ambitious but achievable plan to re-engineer its core processes to further increase its effectiveness and efficiency. To further improve these processes, client service standards were introduced that include processing claims and releasing payments within 45 calendar days.

The Audit and Evaluation Branch completed an evaluation[84] of the Program for Strategic Industrial Projects in June 2009. The evaluation found that the program succeeded in reaching its intended beneficiaries (i.e., communities, industry and workers) with positive economic and technological impacts.

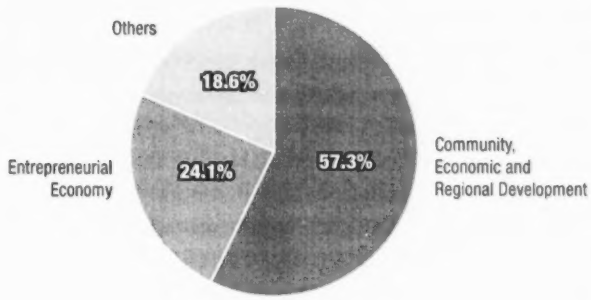
2.3 Strategic Outcome: Competitive Businesses are Drivers of Sustainable Wealth Creation

Performance Indicators	Target and Performance Status	Results and Performance Summary	Trend
Percentage of GDP contributed by small and medium-sized businesses	Maintain or improve current percentage (26%) **Status:** Exceeded	Canadian small businesses accounted for 29% of GDP for 2008–09.*[85] This is up from 26% in 2007–08.[86] In Canada, 97.8% of all business establishments are small businesses.**[87]	Improving
Ratio of small and medium-sized businesses in rural vs. urban areas (defined by census subdivisions)	1:3 **Status:** Somewhat met	The ratio of rural to urban SMEs in Canada is 1:5.6. Rural SMEs account for 15.2% of total SME business activity, compared with the 84.8% contribution by urban SMEs.[88]	Declining

* The target, results and performance summary relate only to small businesses with fewer than 50 employees as opposed to SMEs, with fewer than 500 employees. BC Stats provides a breakdown of small business statistics for each province and Canada-wide statistics. The data shown here are the Canada-wide statistics.

** The Canadian Federation of Independent Business identifies small businesses as those with fewer than 50 employees.

Figure 2.3 Distribution of spending by program activity in the area of Competitive Businesses are Drivers of Sustainable Wealth Creation



Industry Canada's mandate is to help make Canadian industry more productive and competitive in the global economy. The Department provides a wide range of programs and services to support Canadian industries and ensures that business views are taken into account in the development of broader economic and social policies. Industry Canada is committed to supporting Canadian companies in a variety of ways, including support for the automotive and aerospace manufacturing industries, among others. The Department also promotes economic development in communities to encourage the development of skills, ideas and opportunities across the country.

Canada's Economic Action Plan Highlight

The Community Adjustment Fund (CAF) is an economic stimulus initiative to create employment opportunities and support adjustment measures in communities impacted by the economic downturn. The EAP identified $1 billion nationally over two years for CAF. FedNor is responsible for delivering CAF in Northern Ontario: 55 projects were announced in August 2009 with a federal investment of up to $31.4 million over two years. The City of Dryden, for example, received $1.47 million to expand Norwill Industrial Park. Dryden has been heavily affected by the decline in the forestry sector, losing more than 1,000 direct forest sector jobs since 2003. While this investment is targeted to create 41 person-months of employment during the construction phase, the project will also enable the city to increase its economic growth and job creation opportunities by becoming a more attractive place for investments in commercial and industrial development.

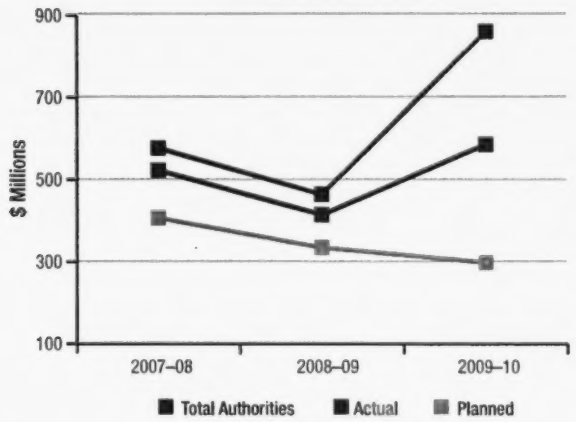
Meeting our commitments:

In an effort to ensure that Industry Canada contributes to sustainable wealth creation by ensuring that businesses are competitive, the Department undertook in-depth analysis and maintained expert knowledge of key industry drivers, players, and industrial and R&D trends. As the automotive crisis developed, Industry Canada fully engaged the automotive industry to develop a comprehensive understanding of the extent of the crisis and to assess the merit of government support. Industry Canada analyzed the restructuring plans submitted by Chrysler and GM to support the Government of Canada's negotiations with the companies and the provincial counterparts. As restructuring assistance was being developed, Industry Canada analyzed the GM and Chrysler agreements and commitments, providing analysis for decision makers to ensure the longer-term competitiveness and sustainability of the companies and the automotive industry in general. The Department also worked with the Business Development Bank of Canada and Export Development Canada to commit funds and develop programs for the broader automotive industry that complemented the support provided to Chrysler and GM.

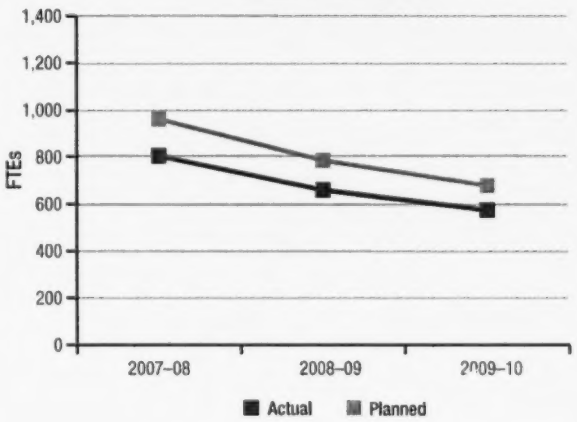
Lessons Learned

Industry Canada is modernizing the way it provides information on government programs, services and regulations to SMEs. Upon its renewal in 2009, Canada Business Network (CBN) launched a new strategy to modernize its service offerings to meet future client needs while ensuring program efficiency and effectiveness. During 2009–10, CBN streamlined its web offerings, moving from 14 federal/provincial/territorial websites to 1 integrated website. The new CBN website was launched on October 19, 2009. Management of a single website allowed the Department to reduce content duplication and redundancy, reduce maintenance costs, and introduce rigorous quality assurance mechanisms while improving the client experience.

Financial Resources



Human Resources



Benefits to Canadians:

- Pursued Canada's strategic economic priorities within the Canada–U.S. and North American contexts by continuing the dialogue with our North American partners, by promoting Canadian economic interests in bilateral and trilateral discussions, and by building an evidence base on the effect of border measures on Canadian competitiveness.
- Employed more than 1,402 youth through the Community Access Program Youth Initiative in 2009–10. This provides work experience and ICT skills development through work placements at CAP sites.
- Analyzed the costs and benefits of the Canada Small Business Financing Program as part of a 2009 evaluation study of the program; the analysis indicated the presence of significant benefits to Canadian society. Based on a 9-year time frame analysis, from 1999 to 2008, total costs of the program were estimated to be $728.5 million, whereas total benefits were $5.6 billion, resulting in total net benefits of $4.9 billion.
- Through the Northern Ontario Development Program, FedNor helped create, expand or maintain over 600 businesses and organizations, improving their potential to succeed in the knowledge-based economy.
- Through the Community Futures Program, FedNor helped create, expand, maintain or strengthen over 1,000 businesses, helping them become more viable and competitive.

- Through funding programs, Industry Canada provided direct financial assistance to companies. Through rigorous research and analysis, the Department found industries that were directly affected by the global economic crisis and determined possible related policy options to address the issues. The Department provided financial assistance to companies through programs such as the Canadian Apparel and Textiles Industries Program.[89] This funding ensured that jobs remained in Canada.
- Industry Canada officials also worked with companies with repayment obligations. On an exceptional basis during the economic crisis, where a case could be made for extreme financial distress, repayment schedules were revised to be more flexible and allow companies to continue their operations.

Performance Analysis:

Industry Canada contributed to sustainable wealth creation by ensuring that businesses are competitive through the following program activities:

Entrepreneurial Economy

Expected Result: Small and medium–sized enterprise use of government business–related information, programs and services, and facilitated compliance for business			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Increase in number of clients using the CBN website over the previous year	10% **Status:** Not met	In previous years, CBN web traffic did not filter out non-user traffic (such as search bots). A new methodology was introduced in 2009. If this methodology had been applied to last year's results, total volume would have been 3,077,921 in 2008 and 2,660,588 in 2009, a decline of 13.6%. In addition, a new CBN website was launched in October 2009, reducing the number of websites from 14 to 1. This resulted in a reduction in referrals to the website by external search engines, which is typical, but temporary, following major changes to a site.	Declining Decrease of 13.6% in number of clients using the site in 2008–09 over the previous year
Expected Result: Integrated business permit and licence information from all levels of government provides value to clients across Canada			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Percentage of clients who indicate satisfaction with the services provided	80% **Status:** Not applicable	Due to public opinion research restrictions, BizPaL was unable to complete a client satisfaction survey for 2009–10 and is unable to report results for this indicator.	Not applicable
Expected Result: Departmental and other government department (OGD) clients and external stakeholders are aware of small business perspectives and advice			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Number of references of small business issues in research, policy and program documents (e.g., Memoranda to Cabinet (MCs), Treasury Board (TB) submissions, research conference reports, consultation reports)	30 **Status:** Exceeded	34, which is an increase of 47% from the previous year's result of 18	Improving

2009–10 Financial Resources ($ millions)		
Planned Spending	Total Authorities	Actual Spending
95.7	146.8	140.9*

2009–10 Human Resources (Full-time Equivalents)		
Planned	Actual	Difference
142	136	6

* The variance between Planned and Actual Spending is attributable to increases in the activity's funding (through Supplementary Estimates: $10 million for the Canadian Youth Business Foundation (CYBF), $6.5 million for the CBN, and $3.5 million for the Small Business Internship Program, and a net Statutory Vote increase to the Canada Small Business Financing Program of $31 million), offset by small lapses in various sub-activities.

Meeting our commitments:

To contribute to the competitiveness of businesses and to help create sustainable wealth, the BizPaL partnership continued to roll out the BizPaL[90] service to local governments and surpassed expectations by offering BizPaL to 428 communities. This represents a 65% increase from last year's 278 communities. As a result of these efforts, partners have been able to extend the service to 54.2% of the Canadian population.

BizPaL information is categorized according to the North American Industry Classification System[91] (NAICS), which includes 928 business sectors, such as retail, manufacturing and natural resources. To date, 795 of those 928 sectors are now available in BizPaL, an increase of 132 sectors or 19.9% from April 2009. As a result, more business clients in the provinces, territories and municipalities can now find their industry sector when using the BizPaL service.

Canada's Economic Action Plan:

Further to an announcement in Budget 2009 and effective April 1, 2009, the maximum eligible loan amount under the Canada Small Business Financing Program (CSBF)[92] was raised from $250,000 to a maximum of $500,000, of which no more than $350,000 can be used for purchasing leasehold improvements or equipment. Financial institutions with a portfolio of eligible loans above $500,000 can now claim reimbursement on losses up to 12%, up from 10%, of the value of their portfolio. In addition, some regulatory amendments were implemented to help ease the administrative burden of the CSBF Program.

The enhanced Canada Business Network[93] website was officially launched on October 19, 2009. Service improvements continue to be introduced to modernize offerings on the website. A new marketing and outreach strategy to increase use of the CBN web presence was launched.

As well, the Canadian Youth Business Foundation (CYBF)[94] has exceeded its target set in the 2009–10 RPP. It has provided 494 loans to young entrepreneurs using the Budget 2009 contribution of $10 million. The CYBF has also matched every loan recipient to a mentor.

Global Reach and Agility in Targeted Canadian Industries

Expected Result: Strong engagement, knowledge sharing and program delivery to enhance the capacity of targeted Canadian industries to prepare for and respond to risks and opportunities in globalized markets			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Percentage of completed initiatives* designed to increase the competitiveness of Canadian industries in globalized markets, as a proportion of initiatives identified in the sector's business plan	80% **Status:** Exceeded	100% All initiatives designed to increase the competitiveness of Canadian industries, such as intelligence products, analysis, networking, client services, and program and policy development, were completed as planned. For example, led responses to the Standing Committee on Industry, Science and Technology reports on automotive and on certain sectors in crisis; implemented changes to the Industrial and Regional Benefits (IRB) Policy; and created and implemented a customer relationship management program focused on developing relationships with companies in the pharmaceutical/biopharmaceutical, medical devices and bio-industrial industries.	New indicator

* Initiatives include items such as joint policy initiatives, frameworks, strategies, consultations, trade shows, knowledge products, publications and websites.

2009–10 Financial Resources ($ millions)		
Planned Spending	Total Authorities	Actual Spending
61.4	126.4	108.1*

2009–10 Human Resources (Full-time Equivalents)		
Planned	Actual	Difference
307	258	49**

* Over $47 million in additional funding was allocated to this program activity through Budget 2009 (for the Marquee Tourism Events Program) that was not reflected in Planned Spending for 2009–10 but has been included in Total Authorities and Actual Spending. A further $9 million was assigned to this program activity for automotive due diligence contracts in 2009–10.

** The majority of the difference was due to a change and reorganization in the Information and Communications Technologies Branch.

Meeting our commitments:

As at March 31, 2010, commitments by prime contractors to invest in Canada as a result of the Industrial and Regional Benefits[95] (IRB) policy exceeded $20 billion. In September 2009, Minister Clement announced the introduction of seven enhancements to the IRB policy to attract substantive investments, global product mandates and world-leading research and development activities to Canada. The first 2 of these enhancements were introduced in 2009, with the balance scheduled for 2010.

In order to encourage partnerships with firms operating globally, Industry Canada organized sessions focused on matchmaking and increasing investment opportunities between venture capitalists and firms. The Department also co-sponsored an OECD workshop in Montréal on assessing the environmental and economic sustainability of bio-based products. Additionally, Industry Canada participated actively in OECD committees (Steel, Biotechnology and Nanotechnology) and on the North American Steel Trade Committee.

Through a series of 5 reports and seminars, Industry Canada provided industry leaders and firms with unique insights on productivity and competitiveness issues in core business services (design, logistics and green supply chain management). This intelligence seeks to encourage the adoption and use of value-added services as a business strategy to increase the competitiveness of companies by identifying best-in-class practices, key performance indicators and emerging trends affecting manufacturers and related service providers.

A final evaluation[96] of the Canadian Apparel and Textile Industries Program was completed in 2009–10 and found that CATIP was well aligned with departmental and federal government priorities. The Program was implemented in a cost-effective manner and helped identify new markets, promote the capabilities of Canadian industry abroad, improve cost efficiencies, promote best practices and develop mechanisms to mitigate the effects of trade liberalization on the sector.

As part of the federal government's support of a healthier and more competitive auto industry, financial restructuring assistance was provided to both Chrysler and GM. The governments of Canada and Ontario provided up to C$3.77 billion in assistance to Chrysler and US$9.5 billion in assistance to GM, and Industry Canada provided analysis and support throughout the restructuring process as well as continued monitoring of the restructuring agreements. The initiatives were very successful, because the restructuring support assisted in preventing the collapse of the companies, which would have had potentially negative effects across the auto sector.

In addition to the assistance provided to Chrysler and GM, the Government also increased protection for auto parts suppliers by adding $700 million to Export Development Canada's Accounts Receivable Insurance program, which is available to auto parts suppliers. Additionally, Industry Canada provided consumer information on the Canadian Warranty Commitment Program,[97] a federal initiative designed to ensure that consumer warranties would be honoured on new vehicles purchased from GM Canada and Chrysler Canada in the event these companies failed during their restructuring from April to September of 2009.

Community, Economic and Regional Development

Expected Result: A significant increase in the capacity of selected Ontario communities and businesses, helping them to thrive in the 21st–century economy			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Average leverage ratio of program funds	1:2 **Status:** Mostly met	For every dollar spent through FedNor programs, $1.90 was leveraged from other sources.	No change
Average number of contribution agreements and grants approved	35 **Status:** Exceeded	Average number of contribution agreements approved in 2009–10 was 104. Note: When this target was set, it only represented 1 program. This now encompasses 5 programs.*	Not applicable

* These results represent Industry Canada and FedDev Ontario. Several programs under Industry Canada were transferred to FedDev Ontario on August 13, 2009. In future reporting documents, these programs will no longer be reported in Industry Canada's documents but will be reported on independently through FedDev Ontario.

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
138.5	585.4	335.7*

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
221	173	47**

* In addition to the creation of FedDev Ontario, Budget 2009 initiatives were not included as part of the planned spending for 2009–10.

** Parts of Community, Economic and Regional Development have been transferred to FedDev Ontario. The difference in the full-time equivalents is mainly due to the reassignment of positions associated with the transferred activities. These FTEs have been included in the FedDev Ontario section.

Meeting our commitments:

Industry Canada adapted its programs to help create jobs in the regions affected by the global economic downturn. FedNor delivered the Community Adjustment Fund in Northern Ontario to provide economic stimulus to mitigate the short-term effects of the downturn by creating needed employment opportunities and addressing transitional and adjustment challenges in restructuring industries or communities.

FedNor implemented a Community Futures Development Corporation Stimulus Action Plan in Northern Ontario that responded to the increase in loan requests from Northern Ontario businesses normally serviced by conventional lenders, and implemented a more targeted approach in the Northern Ontario Development Program to address specific opportunities and challenges in the economic climate. FedNor also delivered the first year of the Economic Development Initiative, which encouraged the development of new business expertise through innovation, partnerships, the diversification of economic activities and increased support for small businesses.

As a result of the creation of FedDev Ontario, the majority of infrastructure programs for communities and Industry Canada's responsibilities for rural Eastern and Southern Ontario were transferred to the new agency. To ensure seamless program delivery to clients, Industry Canada provided a variety of resources and services to FedDev Ontario, such as financial and human resources, payment and monitoring services for project files, and information technology services.

Canada's Economic Action Plan:

The Community Adjustment Fund (CAF)[98] is an economic stimulus initiative to create employment opportunities and support adjustment measures in communities affected by the economic downturn. Budget 2009 identified $1 billion nationally over two years for the Fund. In Ontario, the CAF will provide $348.9 million over two years to support adjustment measures in communities affected by the global economic downturn. In 2009–10, $10.7 million was delivered in Northern Ontario.

The Broadband Canada: Connecting Rural Canadians[99] Initiative was developed to extend broadband access to as many unserved and underserved Canadian households as possible. A call for applications generated a very high response rate, and the application assessment phase took longer than anticipated, but the Broadband Canada program has now completed its assessment of applications and the Department will select the successful applicants in 2010.

Security and Prosperity Partnership of North America — Canadian Secretariat

Expected Result: Canada is successful in advancing its strategic interests and priorities within the North American context			
Performance Indicators	**Target and Performance Status**	**Results and Performance Summary**	**Trend**
Degree of progress in advancing Canada's strategic interests in the context of North America priorities	Medium* **Status:** Met all	Canada's strategic interests have been pursued in the context of North American priorities. This was achieved through dialogue between the 3 North American countries and results of the 5th annual North American Leaders' Summit, held in August 2009, which are outlined in the Leaders' Statement.[100] Summit discussions focused on 4 priority areas: the economy and North American competitiveness; environment and energy; security; and global and regional issues.	New indicator

* Degree of progress defined by:

High: All of Canada's major strategic interests are reflected in North American priorities
Medium: Most of Canada's major strategic interests are reflected in North American priorities
Low: A few of Canada's major strategic interests are reflected in North American priorities

2009–10 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
2.2	1.6	1.1*

2009–10 Human Resources (Full-time Equivalents)		
Planned	**Actual**	**Difference**
8	6	2**

* The variance between Planned and Actual spending is due to transfer of funds as a result of a number of memoranda of understanding to fund and undertake research surveys and analysis on "transborder flows."

** The variance in Full-time Equivalents is due to employee turnover and unexpected departures.

Meeting our commitments:

Industry Canada provided guidance on the prosperity component of the partnership in the lead-up to the North American Leaders' Summit held in Guadalajara, Mexico, from August 9 to 10, 2009. The Summit resulted in the Leaders' joint statement, which reflected Canadian interests on economic cooperation, trade and borders. Canada's interests were also reflected in the Leaders' Declaration on Climate Change and Clean Energy.[101] In further support of North American cooperation, the Secretariat has provided over 20 briefings to the Minister and/or senior management on issues relating to North American affairs, including preparations for bilateral and trilateral ministerial meetings.

The Secretariat is responsible for coordinating the Research Fund on North American Borders, Security, and Prosperity,[102] which has funded over 15 projects to date, focused on gaining a better understanding of the effects of border measures on Canadian competitiveness. Findings from the first round of proposals were presented at a one-day workshop in Ottawa in October 2009 attended by 45 participants from government and the private sector; other departments will provide web links to completed studies. A key example of a research project managed by Industry Canada is the Canada-United States Border Survey. Conducted by Statistics Canada, the survey collected data on Canada–U.S. border issues, effects and mitigation strategies from the 10 most export-intensive industries in Canada.[103]

2.4 Internal Services

Financial Resources ($ millions) 2009–10		
Planned Spending	Total Authorities	Actual Spending
82.9	179.0*	177.8

Human Resources (Full-time Equivalents) 2009–10		
Planned	Actual	Difference
895**	1,457	562***

* The Department receives much of its operating budget in Supplementary Estimates when accessing repayable contributions collected in the previous year. To ensure the timely progress of program activities, Internal Services advances the funds to all other programs and replenishes itself when Supplementary Estimates are voted.

** Starting in the 2009–10 Estimates cycle, resources for Internal Services program activity are to be displayed separately and are no longer allocated among the remaining program activities, as in previous fiscal years.

*** The variance is due to increased demands resulting from the EAP. Given the significant changes to Industry Canada's PAA structure in 2009–10, as well as changes in the methodology used in assigning FTEs to specific program activities, there is a variance between Planned and Actual values for FTEs in certain program activities. Measures have been taken to ensure future FTE numbers are accounted for in a consistent manner.

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization.

These groups are management and oversight services, audit and evaluation, public policy services, communications services, legal services, human resources management services, financial management services, information management services, information technology services, real property services, materiel services, acquisition services, and travel and other administrative services.

Internal Services include only those activities and resources that apply across the Department and not to those provided specifically to a program.

2.5 Federal Economic Development Agency for Southern Ontario*
Strategic Outcome: The Economy of Southern Ontario is Competitive and Diversified^

Performance Indicators	Target and Performance Status	Results and Performance Summary	Trend
Decrease in unemployment rate in Southern Ontario	10% **Status:** Mostly met	The seasonally adjusted unemployment rate fell from 9.3% in August 2009 to 8.8% in March 2010.[104]	Declining (decrease of 5% over 7 months)
GDP growth rate for Southern Ontario	3% **Status:** Exceeded	Provincial accounts show GDP annualized growth of 4.1% over the last 2 quarters of 2009.[105]	Improving (GDP growth continued into Q1 2010)

2009–10 Financial Resources ($ millions)^^		
Planned Spending	**Total Authorities**	**Actual Spending**
51.1	460.7	222.8**

2009–10 Human Resources (Full-time Equivalents)^^		
Planned	**Actual**	**Difference**
112	117	5

^ Strategic outcome and performance indicators appear as identified by FedDev Ontario in the RPP 2010–11.

^^ FedDev Ontario Financial Resources and FTEs are embedded within Industry Canada's program activities presented in previous pages. They are highlighted here to establish a comparative baseline for future years.

* As a result of the EAP, Fed Dev Ontario was created on August 13, 2009.

** FedDev Ontario was not able to disburse program funding according to original profile. Funds have been committed and are expected to be disbursed in 2010–11.

Meeting our commitments:

FedDev Ontario was announced in Budget 2009 and was officially established in August 2009. Since its inception, FedDev Ontario created new jobs and opportunities throughout Southern Ontario by encouraging innovative ideas and the commercialization of research and investments in advanced manufacturing. This was achieved through the delivery of the following programs:

- Community Adjustment Fund for Southern Ontario
- Recreational Infrastructure Canada Program
- Southern Ontario Development Program
- Eastern Ontario Development Program
- Community Futures Program
- Ontario Potable Water Program
- Economic Development Initiative — Official Language Minority Communities Development Program
- Brantford Greenwich–Mohawk Remediation Project
- Canada–Ontario Infrastructure Program
- Building Canada Fund
- Canada Strategic Infrastructure Fund
- Canada–Ontario Municipal Rural Infrastructure Fund
- Municipal Rural Infrastructure Top-Up Fund

Canada's Economic Action Plan:

Through the Southern Ontario Development Program and programs that form part of Canada's EAP, FedDev Ontario contributed to the stabilization of the Southern Ontario economy while establishing the foundation for a more prosperous future. The Community Adjustment Fund for Southern Ontario provided over $4 million to expand the Wright Business Park in Stratford, Ontario. This project will create development-ready industrial land by transforming 93 acres into a business subdivision containing roads, serviced lots and a stormwater management facility. It is expected that this project will create 20 immediate full-time construction jobs and 425 future ongoing jobs.

Section 3: Supplementary Information

3.1 Financial Highlights

The financial highlights presented within this DPR are intended to serve as a general overview of Industry Canada's financial position and operations. The Department's financial statements can be found on the Industry Canada website.[106]

($ thousands)	% Change	2010	2009 (Restated*)
Condensed Statement of Financial Position At March 31			
Assets			
Financial Assets	62	1,431,810	881,680
Non-Financial Assets	-7	101,421	109,505
Total	**55**	**1,533,231**	**991,185**
Liabilities			
Accounts Payable and Accrued Liabilities	49	968,177	649,713
Deferred Revenue	-12	4,376,729	4,957,325
Other Liabilities	6	524,242	495,521
Total Liabilities	-4	5,869,148	6,102,559
Equity	-15	(4,335,917)	(5,111,374)
Total	**55**	**1,533,231**	**991,185**

Condensed Statement of Financial Operations For the period ended March 31			
Expenses			
Transfer Payments	247	1,741,907	501,621
Operating Expenses	6	849,745	802,974
Total Expenses	99	2,591,652	1,304,595
Revenues			
Sales of Services	43	1,103,940	771,734
Other	-3	19,156	19,826
Total Revenues	42	1,123,096	791,560
NET COST OF OPERATIONS	**186**	**1,468,556**	**513,035**

* Industry Canada adopted the new Treasury Board Accounting Standard 1.2 for departmental financial statements. The change has resulted in comparative data restatements for the 2009 fiscal year.

Summary of 2010 Financial Results

The financial results presented in Industry Canada financial statements are shaped by the three strategic objectives that aim to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

In 2009–10, Industry Canada managed numerous stimulus grants and contributions projects through the EAP, which resulted in a significant increase in expenses from $1.28 billion in 2008–09 to $2.59 billion in 2009–10. The Government of Canada announced a set of initiatives aimed at providing a quick recovery from the economic downturn and improving access to financing, supporting small businesses, helping municipalities build stronger communities through investments in infrastructure, and providing short-term support for key industrial and commercial sectors.

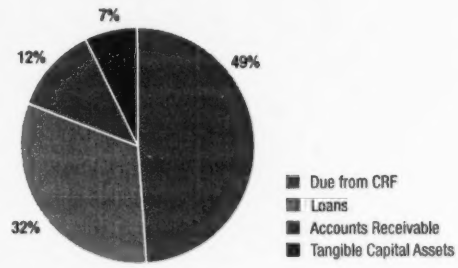
Accounting changes

During the year, Industry Canada adopted the revised Treasury Board accounting policy regarding departmental financial statements. The first change in the accounting policy of Industry Canada is the recording of amounts due from the Consolidated Revenue Fund ($750 million in 2009–10) as an asset on the Statement of Financial Position. The purpose of this account is to record the cash Industry Canada will be able to draw from the Consolidated Revenue Fund in future years to meet some of its liabilities. The second change was the removal of Industry Canada's investment in the Business Development Bank of Canada (BDC) and related dividend revenue. The removal of these accounts was performed since Industry Canada is not deemed to control the BDC. This is rather a responsibility of the Industry Portfolio under the Minister of Industry.

Assets

Total assets were $1.5 billion for 2009–10, an increase of $542 million (55%). The increase can be mostly attributed to the changes in accounting policy. There was also an increase in loans provided during the year for approximately $80 million. This can be partially attributed to the ITO, which provided loans through the SADI program to 8 companies in the Canadian aerospace and defence industry for R&D of new products and/or services that are expected to enhance the industry's competitiveness in years to come. It can also be attributed to contributions through the Automotive Innovation Fund administered by Knowledge Advantage in Targeted Canadian Industries. A new agreement here was signed to support the development and commercialization of a wide range of powertrain components and modules with greater durability, less weight and higher quality. Accounts receivable grew by $90 million for amounts due from various organizations for radio licences unpaid under the Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy.

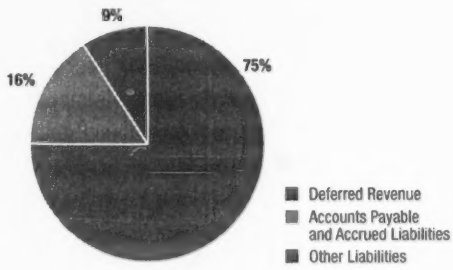
Assets by Type



Liabilities

Total liabilities were $5.87 billion for 2009–10, a decrease of $219 million (4%). Accounts Payable increased by 50% this fiscal year, primarily a reflection of temporary increases to transfer payment programs for the EAP. An example of this would be entitlements to provinces under the Infrastructure Canada Program which are unpaid at March 31. Counteracting this change in payables was a decrease of $400 million in deferred revenue to radio spectrum licences sold in the 2GHz range, managed by the Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy. This decrease represents deferred spectrum auction revenue, which is recognized as earned revenue over a 10-year period.

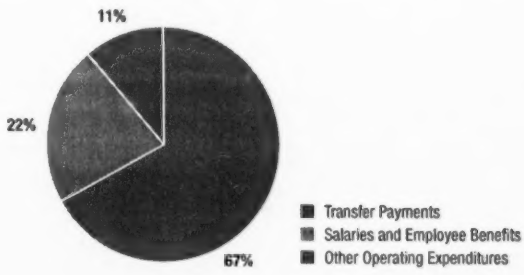
Liabilities by Type



Expenses

Total expenses were $2.59 billion in 2009–10, an increase of $1.28 billion (99%). The increase is mainly attributable to increased transfer payment expenses. The EAP provided Industry Canada with $1.41 billion in transfer payment program funding through various temporary transfer payment programs designed to help boost the Canadian economy. Recognized as expenses within the financial statements is $1.26 billion. Program delivery is reflected through the increase in these reported expenses and includes transfer payments for KIP ($2 billion over 2 years) under Canada's Research and Innovation Capacity. This program was designed to enhance the infrastructure of Canadian colleges and universities. $1 billion in funding has been expensed in 2009–10 and is reflected in this increase to the reported transfer payment expense. The Community Adjustment Fund, under Community, Economic and Regional Development, expensed $116 million to address the short-term economic needs of Canadian communities impacted by the global recession. The Marquee Tourism Events Program, under Global Reach and Agility in Targeted Canadian Industries ($46 million), helps create jobs and increase tourism by enhancing annually recurring world-class events in Canada. In addition, FedDev Ontario delivered the Recreational Infrastructure Canada program ($30 million), a fund which helped renew and expand public recreation infrastructure in Canada.

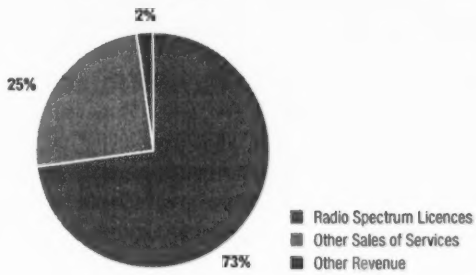
Expenses by Type



Revenue

Total revenues were $1.12 billion in 2009–10, an increase of $332 million (42%). The majority of reported revenue in the departmental financial statements is attributed to the recognition of radio spectrum revenue managed by the Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy. The increase in this type of revenue reflects the recognition of radio spectrum auction licence fees received in prior fiscal years, particularly $4.26 billion received and deferred in 2008–09 for the 2GHz range. Other sales of services represent legislative fees and registrations through organizations such as Corporations Canada ($12 million), the Office of the Superintendent of Bankruptcy ($42 million), Competition Bureau ($23 million), and Measurement Canada ($1 million), which report under Marketplace Frameworks and Regulations.

Revenue by Type



3.2 List of Supplementary Information Tables Available Online

(http://www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp)

Sources of Respendable and Non-Respendable Revenue

User Fees Reporting

Details on Transfer Payment Programs (TPPs)

Details on Other Programs for Industry Canada

Up-Front Multi-Year Funding

Horizontal Initiatives

Green Procurement

Response to Parliamentary Committees and External Audits

Internal Audits and Evaluations

3.3 Other Items of Interest Available Online

(www.ic.gc.ca/eic/site/ic1.nsf/eng/05903.html)

IM/IT Governance and Responsibilities at Industry Canada

3.4 Additional Performance Results and Risk Analyses Available Online

The Canadian Marketplace is Efficient and Competitive
(www.ic.gc.ca/eic/site/ic1.nsf/eng/05904.html)

Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy
(www.ic.gc.ca/eic/site/ic1.nsf/eng/05906.html)

Competitive Businesses are Drivers of Sustainable Wealth Creation
(www.ic.gc.ca/eic/site/ic1.nsf/eng/05907.html)

Endnotes:

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3 http://laws.justice.gc.ca/en/I-9.2/index.html
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